Outsourcing: An Overview:

*Outsourcing*, simply put, is the process of sourcing work from outside the company. Outsourcing of work is also variedly called *subcontracting, contracting out* and *putting out* of work.

As a business activity, outsourcing is not new. It is as old as capitalism, which started to develop in 15th-16th century Europe through the putting-out production system for household items needed by an emerging capitalist market. Despite the subsequent evolution and growth of the factory system and eventually the mass production system, outsourcing has remained as no industries can produce everything they needed within their industrial sites. Post-war Japan, with its limited geographical space, even developed a sophisticated pyramidal system of industrial subcontracting involving several layers of subcontractors specializing in the production of different parts and components of various industrial products. To make their multi-tiered subcontracting system work, the Japanese had to develop new management techniques such as the *kanban* or the just-in-time delivery of inputs and outputs to allow the seamless manufacturing of industrial products based on outsourced parts and components. *Outsourcing* is defined as a regulated entity’s use of a third party (either an affiliated
entity within a corporate group or an entity that is external to the corporate group) to
Indian BPO organisations perform activities on a continuing basis that would normally
be undertaken by the regulated entity, now or in the future.\(^1\) Outsourcing can be the
initial transfer of an activity (or a part of that activity) from a regulated entity to a third
party or the further transfer of an activity (or a part thereof) from one third party
service provider to another, sometimes referred to as “subcontracting.” In some
jurisdictions, the initial outsourcing is also referred to as subcontracting. Firms should
consider several factors as they apply these principles to activities that fall under the
outsourcing definition. First, these principles should be applied according to the
degree of materiality of the outsourced activity to the firm's business. Even where the
activity is not material, the outsourcing entity should consider the appropriateness of
applying the principles. Second, firms should consider any affiliation or other
relationship between the outsourcing entity and the service provider. While it is
necessary to apply the Outsourcing Principles to affiliated entities, it may be
appropriate to adopt them with some modification to account for the potential for
differing degrees of risk with respect to intra-group outsourcing. Third, the firm may
consider whether the service provider is a regulated entity subject to independent
supervision. According to this definition, outsourcing would not cover purchasing
contracts, although as with outsourcing, firms should ensure that what they are buying
is appropriate for the intended purpose. Purchasing is defined, inter alia, as the
acquisition from a vendor of services, goods or facilities without the transfer of the
purchasing firm's non-public proprietary information pertaining to its customers or

\(^1\) \text{www.bpoindia.com.}
other information connected with its business activities. Third party or service provider refers to the entity that is undertaking the outsourced activity on behalf of the regulated entity. The term regulator refers to all supervisory and regulatory authorities that authorise firms to undertake any regulated activity and supervise that activity.  

2. Classifications of Outsourcing: 

Outsourcing can be broadly into two classified principal categories:

- **Traditional outsourcing** where the routine jobs or tasks are identified and the service provider hire staff for this job.

- **Green field Outsourcing** without hiring the service provider the organization can directly hire an imminent company, which can execute their business, which was not done in the organization internally.

Common types of Outsourcing are:

- **Business Process Outsourcing**: Denotes the outsourcing of an entire business process or a complete enterprise function to an external service provider. The service provider takes on the full IT systems, which support the business process.

The activities of the service provider include both operation and maintenance of the IT systems and management and execution of the business process. Employees of the organization cease to perform the same jobs and the service provider normally hires employees. E.g. call centers, payroll, finance functions

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and activities, e-publishing, book keeping services, accounting, and human services.

- **IT Outsourcing**: Denotes that the service provider takes on the operation and maintenance of the service customer IT systems. The service provider is responsible for the customer’s computer and communication systems as well as their data centers. In most cases the service provider also takes on the company’s internal IT personnel. Shared hosting, application service providing and application hosting to customize standard software is also made available to a specific customer (one to one approach) and operated by service provider in a central data centre. Specialized tasks are entirely done by service providers. Website, software development, network backbone service and IT remote support are few examples. E outsourcing is buying information technology products and services that could be furnished in-house from one or a variety of sources on the internet.

The other various ways of outsourcing are:

- **Offshore Outsourcing**: is the practice of hiring an external organization to perform some or all business functions in a country other than the one where the product or service will be sold or consumed. It can be contrast with off shoring, in which the functions are performed in a foreign country, whether by the foreign subsidiary of the same company or a third party. The general criteria for job to be offshore are that the job does no require customer interactions and there is a significant wage difference between the original and offshore countries. The work has high information content, can be transmitted
over the internet, easy to set up and is of repeatable nature. Off shore outsourcing is also known as near shore outsourcing. Geographic proximity means that travel and communications are easier and less expensive. There are likely to be at least some commonalities between the cultures, and people are more likely to speak the same language.

- **Onshore Outsourcing**: Onshore outsourcing (also called domestic outsourcing) is the obtaining of services from someone outside a company but within the same country. The process of engaging another company within your own country for BPO or ITO services. For the US, it means hiring a US based company to provide services.

Outsourcing is a management process in the globalized business context that has been well understood, tried and tested by successful organizations across the world. The competitive pressures arising from the emergence of a ‘boundary-less’ global economy, have spurred the faith in the process - as a means for providing significant cost savings, flexibility and improved operational performance. Offshoring is no longer being considered a short-term tool for cost-savings - the focus is steadily shifting to long-term competitive advantage, an integral part of the global corporation’s strategy.

The Steel strike of 1959 shut down 90% of US Steel production for 116 days. In shutting down production, the US industry opened the door to steel imports, which had been a negligible factor before them. Because they could not purchase steel from their US suppliers, buyers were forced to look for alternate sources, and they found that
steel produced by Japanese or Koreans could meet their needs at lower cost. This marked the start of the decline of the integrated US steel industry.  

The information technology explosion had similar effects on the American software industry. In the late 1990’s purchasers of programming found that they could not buy it in the United States or Europe. This was not because of a strike rather for a few brief moments; there was not enough programming capacity to meet exploding demand. India played the same role in the capacity crunch of the late 90’s that Japan played in the steel strike of 1959. India based companies started as an unproven supplier of programming, but have rapidly become world class providers of software coding and have expanded into many other computer related business processes from back office to customer service. Although outsourcing has been around as long as work specialization has existed, in recent history, companies began employing the outsourcing model to carry out narrow functions such as payroll, billing, and data entry. Those processes could be done more efficiently, more cost effectively, by other companies with specialized tools and facilities and specially trained personnel. Traditionally, the outsourcing marked focused on infrastructure, data processes, and non-core processes and cost takeout as primary drivers by many of the companies. Now in addition to reducing the cost of operations, enterprises are looking for to outsource business areas to achieve greater flexibility and to gain greater ability to respond nimbly. Gradually technical support and processes like collections are also outsourced from companies with the expertise and specialization in the field. By 2003

many companies had also started outsourcing functions like finance and accounting. Outsourcing of human resources and complex banking transactions had just picked up in 2003 and by 2008 most of the companies realized the benefits and followed the trend.

**Growth in BPO**

Business Process Outsourcing (BPO) can be defined as the transfer of an organization’s non-core but critical business functions to an external vendor who uses an Information Technology (IT) based service delivery. Since delivery is IT based, BPO is also referred to as IT Enabled Services (ITES). Though outsourcing of operation in the field of IT has been taking place for many years, and it gained momentum since the late 1990’s due to the rise of Internet and Communication Technologies. Outsourcing has become an important issue in almost all industries all over the world. Outsourcing seems to become a catchphrase for the business houses, which saw the advantages of purchasing services from outsiders rather than producing in house. With the fast and heady changing socio-eco-politico environment across the world, the business activities have undergone a paradigm shift from just provisions of necessary services to actually handling core competencies. The business organizations in this respect have relocated them in any place where there is competitive advantage in respect of cost-efficiencies, marketing superiority, superior organizational capabilities and quality. The success of the organization particularly in the competitive environment hinges on identification and exploitation of those opportunities. Moreover, buying services without producing within the enterprise has been proved as gainful exercise.
especially in attaining high quality product and services at competitive prices. The pace of relocating business units has been expedited on a mind-bogging scale and thus results in increase the volume of outsourcing business. 4

Outsourcing arose out of the need of an individual or any organization to get someone to do a job which either they could not do by themselves or chose not to do. It has been in use since the turn of the 20th century when Ford decided that instead of owing the rubber plantation to produce its own tires, it could simply outsource them. Adam Smith wrote about 200 years ago that “the maxim of every prudent master is never to attempt to make at home what will cost him more to make than buy.” The philosophy behind business process outsourcing is very specific – an organization should concentrate on doing what it specializes in, and outsource rest of the work process. Therefore, BPO is the process whereby an organization retains the core activity to itself and outsources the peripheral activities to be done at places where there is adequate skill available to do these activities at a low cost.

Harvard Business Review has identified outsourcing as one of the most important management ideas of the past seventy-five years. BPO saves precious management time and resources and allows focusing upon building core competencies. Further, it leads to more profits, increased share value, great’s efficiency and better services. Therefore, more and more companies are moving their non-core business processes to other companies. The list of functions, therefore, has been increasing day by day. Apart from Call Centers, functions outsource include purchasing and disbursement, order entry, billing and collection, human resources administration, cash and

investment management, internet audit, pay roll, tax compliance and so on. In India, the BPO industry is mainly concentrated in the service sector which has led to the mushrooming of Call Centers in the country.

In rapidly changing competitive business environment, organizations keep a sharp focus on their cost structure while looking for effective ways to access cutting-edge technology and process innovations without huge capital outlays. These organizations are turning to Business Process Outsourcing (BPO) to accomplish these objectives. BPO is the long-term contracting out of business processes to an outside service provider so that organization can focus on key strategic initiatives, reduce overall cost structure and improve quality and service level.

Gartner Dataquest reports that globally BPO will grow from $106.7 billion in 1999 to $301 billion in 2004. In prior years, BPO was reserved for back-office applications such as accounts payable, call and service centers, and Human Resources. It was heavily used by Fortune 500 companies in the financial services sector. More recently, however, Organizations are looking at BPO to provide value in other functions such as sourcing. The single greatest driver influencing the penetration of BPO is Internet that has enabled companies to transform their processes. Many of these efficiencies have been driven by the need for total cost and cycle time reductions and limitation on capital investments. Further organizations have realized that they cannot optimize every facet of their business simultaneously. This realization has helped BPO to gain strategic importance as companies look at BPO for key areas such as sourcing. The decision to use BPO should be a long-term solution, strategic and thoroughly analyzed.
Factors Influencing Outsourcing

There are several factors influencing the possibility and degree of outsourcing of business processes. These factors may be related either to technology or environment, or may be purely internal to the firm. In this section, the key factors influencing outsourcing decisions are discussed, with particular reference to India.

Technology—An Enabling Factor

The advancement of digital technologies has been an essential factor driving the growth of the BPO business in India. Most importantly, there has been a sharp increase in the availability of telecommunication bandwidth, accompanied by an over 50% decline in the cost of data transmission during the last decade. The decline in telecommunication costs—a major factor enabling the assignment of communication-intensive tasks to offshore entities—has been facilitated by a capacity glut following the burst of the dotcom bubble. During the short-lived dotcom boom, firms had established enormous international fiber optic cable capacities that subsequently went idle, leading to a sharp decline in prices. The increasing use of standard software platforms in corporate information systems has also facilitated outsourcing of business processes. The success of software packages for database control on mainframes and workstations, (such as Oracle for financial data) has meant that firms offering BPO services are required to make relatively low customer-specific investments. Additionally, the standard packages have encouraged investment in learning and promoted the creation of a more global workforce.
Environment—Determinant of Extent of Outsourcing

The environment-related factors influencing outsourcing of business processes are essentially internal to a firm, as discussed in the following list.

- **Wider distribution of knowledge:** With knowledge gradually getting distributed across geographical boundaries, it has become feasible for corporations to transfer knowledge-intensive processes to third parties in offshore locations. The process of distribution of knowledge being gradual, it is only in the later stages of BPO evolution that knowledge-intensive processes are being outsourced.

- **Nature and degree of interaction required in performing a business process:** Usually, a business process calls for interaction on two fronts: one, interaction with different persons engaged in the production of services within the firm, and two, interaction with the customer. Greater the need to interact with other persons within the firm and greater the interaction across different services, higher the cost and risks associated with outsourcing.

- **The degree of separability of a process:** For functions like customer care, the entire process may be outsourced since such functions do not usually require face-to-face interactions. However, if a process cannot be separated, it may not be possible to transfer it (for instance, if a process combines database research and interacting directly with clients, it is important to separate the two activities, if the process is to be outsourced).
Other Factors

Apart from technology and environment, there have been other factors that have facilitated the outsourcing of activities to countries like India. These factors are specific to the firm and are taken into account before deciding to outsource an activity.

* For instance, in the case of India, an important factor influencing the relocation of outsourcing activities from overseas was the presence of an established software infrastructure in the country. Also, India had a strong record of satisfying international customers.

* Multinationals like General Electric and American Express had established operations in India much earlier and this created the foundation for the current wave of outsourcing.

* Companies in Europe and US are currently experiencing strong profitability crisis. With revenue growth stagnating for the last three years, these companies are under enormous pressure to cut costs, while retaining their service levels. As a result, they have started outsourcing their activities so as to lower costs.

* While transferring a business process, the company needs to study it intensively. In doing so, often certain activities get identified that do not add value. During the process of transfer, these activities are usually omitted. This process of evaluating and then transferring a process can yield significant efficiencies.

* Certain activities like payrolls have strict deadlines. Given the time difference between the US or even Europe and India, such deadlines are met with relative ease by Indian BPO service providers.
Often, firms have a number of offices performing the same function. However, with the concentration of activities in one location, such firms can pool the businesses of many clients. For instance, in medical transcription, the process is still outsourced mainly to small firms or even individuals. However, large firms can offer guarantees on quality that the smaller firms cannot.

Using Web Based tools for BPO

The increased use of the Internet for purchasing/supply management applications has enabled the outsourcing of applications run on the Internet. Many of these web-based tools and processes have made it possible to consider BPO for Sourcing. Some of the areas appropriate for BPO in sourcing include areas such as: 1) supplier database Management; 2) spend data analysis and 3) contract negotiation for non-strategic products and services. In these first two areas there is often a lack the discipline in either record keeping, updating of records, or different account pools. Thus data accuracy is often a problem. Collecting data on spend analysis is a major task given that categories of spend come from different budgets and require a detailed analysis of the sourcing process. In the contract negotiation area there are several proven e-Purchasing solutions including, erfqs, erfis and reverse auctions. The decision to procure services is often made outside the sourcing department. Outsourcing providers possess the necessary skills to perform the required analysis in these areas efficiently. Usually the provider performs the analysis prior to implementing a Web based tool solution(s). There may also be a requirement to move data from the legacy system to the new solution. Prior to engaging such outsourcing it is important to calculate

savings realized by outsourcing comparison needs to be made between the cost of the solution and the savings. Depending on the solution savings in both actual cost reductions and transaction cost savings can be realized. “In one case reported by Aberdeen, a company’s expenditures of $50 million on indirect material expenditures required 19,200 purchase orders annually. After implementing the ePurchasing system, purchase order processing costs dropped from $2.2 million to $453,000 under the electronic system. The firm also realized almost $525,000 in extra savings from increased compliance by users purchasing from preferred suppliers. This represented a savings of approximately 8 percent on each purchased item under contract. User purchases from non-contract suppliers dropped by 50 percent. 6

**Implementing the Solution**

If detailed analysis results in decision to go forward with outsourcing a business process, the next step is to identify an appropriate supplier for outsourcing. Some of the things to look for in a supplier are: depth and breadth of BPO services, an electronic/Internet based solution, process expertise, willingness to be flexible and cultural fit. Once the decision is made and supplier is selected, attention should be given to structuring of the contract and to establish performance matrix. A well-planned and well-executed partnership can lead to reduction in overall cost, better competitive position and better focus on mission critical initiatives.

Business process outsourcing (BPO) is not a new management strategy, but has received heightened interest in the past several years because of its potential economic and strategic impact. Companies look to outsourcers to provide process efficiencies and economies of scale, as well as continued investment in the latest technology, which can be more effectively cost-justified when spread across multiple organizations. Reduced international trade barriers and improved telecommunication and IT capability over the past decade has led to a situation where organizations across the world are increasingly interlinked with each other. This has resulted in intense global competition, challenging business managers across the world to find ways to reduce the cost of conducting business and accessing global resources in meeting the need of global markets. In such a context, the reorganization of business models to leverage benefits of outsourcing and focus on core competencies has become a key strategy pursued by large corporations across the world. BPO service-providers are expected to provide a wide spectrum of benefits to their customers, ranging from having greater expertise in the outsourced processes, lower costs achieved through economies of scale, scalability and the ability to absorb cyclicality of loads. 7

Business process outsourcing services in India

In the early 1990’s General Electric realized that significant benefits can be obtained by moving some of its Back-office and customer service processes to India. The move was a great success in significantly cutting costs and raising quality and productivity bench-makers. The success of this model propelled the rest of corporate America to.

seriously explore possibilities of India as an outsourcing destination. Another

corporate giant, American Express followed soon after, moving a part of its

transaction processing work and Call Centers to India. Improvement in cost, quality

and productivity encouraged many companies to rapidly start and scale up their

offshore operations. Gradually, India emerged as a global hub for IT outsourcing

along with countries like China and Canada, due to availability of highly qualified

skill pool and faster adoption of well defined business processes. Government’s active

coop-eration in creating the necessary business environment along with improvements

in infrastructure has catalyzed the growth of the BPO industry. Robust

communication infrastructure is a major reason for India becoming Prime destination

for BPO. With the launch of India first private undersea cable in the recent past, the

international bandwidth situation has improved dramatically.

The privatization of the telecom industry has resulted in the emergence of new players

and a significant drop in telecom rates. Continuing competition in the Industry is

expected to result in a further reduction in telecom prices. The worldwide BPO market

is likely to grow at an annual 9% rate, to touch $ one trillion by 2007 from $773 billion in 2002. The BPO industry in India growing at 54% annually for 2002-08, the

BPO services are expected to grow from $2 billion in 2002 to $15 billion in 2008. 8

Various activities being outsourced in India are as follows: -


# Conventional areas like housekeeping of buildings and work areas, security of plant and township, catering, hospitality and canteen etc.

# Non-conventional areas like maintenance of critical and specialized equipments, crane maintenance, internal material handling, environmental monitoring on specified parameters, health management etc.

# Emerging areas like procurement activities, Banking services, HR functions and management etc.

Business process outsourcing services in India are involved with the western operations of multinational corporations, providing solutions to client industries. This is one of the fastest growing sections of the Information Technology Enabled services industry. From 2004-05, there was an unexpected boom in the outsourcing sector in India, not just within the domestic market but also in the export market of business process. Outsourcing where foreign clients were offshoring their back office and procedural functions to Indian BPOs due to the cost advantage and work quality they offered. The main factors of such rapid growth are cost-effective telecommunications and easy availability of English speaking workforce with impressive technical know-how in India. The main customers who are mostly benefited from the business process outsourcing services are the industries related to Healthcare, Insurance, Banking and Finance, Telecom, Automotive, E-commerce and Retail, Pharmaceuticals, and Airlines. Some of the leading BPO organizations, well known for their performance and service standards in India are Wipro, Infosys BPO, HCL, Satyam, IBM Daksh,
Accenture, Hewlett Packard, Cap Gemini, Convergys, and Tata Consultancy Services, to name a few. 9

Business process outsourcing services in India has witnessed a growth of 70% a year and involves 100,000 people. Most of the US and European multinational companies are heavily dependent on the outsourcing or shared services to India in order for supporting their financial functions. The major Indian cities like Bangalore, Chennai, Hyderabad, Kolkata, Gurgaon, New Delhi, Noida, Pune, and Mumbai are well known as the business processing hubs in India, offering valuable outsourcing services in India. In a nutshell, the main reasons for the growth of business process outsourcing services in India are:

Cost Factor Advantage
Utilization Improvement
Superior Competency
Economy of Scale
Business Risk Mitigation

In general, the main aim of the services of the business process outsourcing firms in India is to provide the best solutions to satisfy clients’ demands. The nature of the business process outsourcing services as offered by the BPOs are like providing inbound customer service, outbound collections, telemarketing, invoice processing, transaction processing, finance and accounting services, and knowledge management of complex technologies.


BPO Role in India’s Economic Growth

BPO Role in India’s Economic Growth has been tremendous, especially in the last few years, when the demand for outsourcing work to India has been significant among western companies. The role played by BPOs in boosting India’s economy shows that the IT and ITeS sector have been contributing largely to the economic growth of India. The growth in the contribution of BPOs to Gross Domestic Product has shown a steady rise from 1.2% to 5.4%. It is hence evident that the BPO industry is making an impact on the Indian economy.

BPOs are aiming at contributing towards bringing in more earnings to the country and IP creation. Currently, BPOs in India are focused on the domestic segments and offshoring. The benefit to the local economy is subject to judicious exploitation of resources existing in these areas. The following are some useful statistics with regard to the growth of the IT-BPO sector during the past 10 years:

- 1997-98: US$ 4.8 billion
- 2006-07: US$ 47.8 billion
- Current rate of growth is 28%
- Employment to be generated -1.6 million

BPO Role in India’s economic growth is set towards making a significant impact in the time to come as well. The driving forces that account for the increase in foreign investments through the BPOs in India are:

- Emphasis on quality services
- Skilled sets and workers
- Cost effectiveness
- Quality products
- English speaking manpower

These features of the Indian BPO industry attract long-term contracts and as a result, there are high earnings which in turn result in major contribution to economic growth. As a matter of fact, the Indian BPO industry is leading in the market and is improving in the area of training professionals in learning foreign languages and increasing the number of skilled workers. This will give India the ability to sustain its global leadership and probably generate export revenues of USD 10 billion by 2010. The setting up of more BPOs is also bringing in more job opportunities for the Indian youth. BPO role in India’s economic growth will even facilitate great maneuvering in the country’s balance of payments. BPO role in India’s economic growth is definitely at the growth stage but is all set for a major contribution to the Indian economy, especially if the government supports the sector in terms of financial growth, openness to trade, rural-urban migration, and education.  

**REVIEW OF THE EXISTING LITERATURE:**

By reviewing the related literature it is identified that there is very limited literature on this context. No substantial studies have been in the area of outsourcing of financial services. Today Business Process Outsourcing is undergoing a sea change. As new
market emerge for undertaking business services outside of the enterprise, BPO is undergoing a shift from traditional optimization services to services that involve a great deal of rethinking and re-engineering in banking services. Outsourcing has become an indispensable part of corporate business strategy to survive the global economic downturn, but still now, no specialized research work is found in this related topic. Many studies have concluded that increasing profits is a key driver for outsourcing decisions, where firms can reduce assets, decrease operational and capital expenses, and decrease overhead on personnel whose functions are outsourced. Different thinkers has endowed with their valuable thinking with regard to BPO and its operation. We have attempted to review a few notable literatures on BPO. As outsourcing has become more common researchers, practitioners and Governments have taken a harder look at the results. Initially, firms may only focus on short term benefits, especially since most firms lack an adequate decision framework to weigh the tradeoffs involved in outsourcing. Given the significant public focus on improving profitability, financial benefits to outsourcing firms may be surprisingly lower than original expectations. (M.J. Power, Kevin C Desouza & Carlo Bonifazi) 11

In the eyes of the World Bank apart from being a major client where millions of dollars of loans have funded everything from power plants to irrigation systems, India has acquired one more distinction, its bookkeeper. That is when the World Bank transferred its accounting functions from Washington to the South Indian City of Chennai; Where 100 staffs have been trained to do everything from processing

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invoices to checking employee expenses. India is emerging as the Mecca for companies that are considering leveraging financial or IT outsourcing to relieve strained resources, off-load non core functions, reduce operating costs, improve speed and service levels, gain a competitive edge and enhance tactical and strategic advantages. (K.Ganesan & A.Panneerselvam; ) 12

Outsourcing is not new; it has received greater attention since the 1990’s. Initially, academics and firms put more emphasis on outsourcing in manufacturing, although professional services are increasingly outsourced in whole or in part. The last two years have seen a significant step up in outsourcing of IT services by banks. As compared to 8-12 percent growth during the year 2001, IT Services outsourcing in the banking segment has been pegged by IDC at a CAGR of around 24 percent from 2001-2006. On an average, this comes to a year-on-year growth of around 25-30 percent. Which is quite healthy, In fact, according to IDC, Banking has emerged as the second largest, next only to discreet manufacturing within the IT service gamut. (Report on BPO in the Financial Sector- Banknet India) 13

As bank and other Financial Service Provider, decide how to expand their services to a broader range of clients, they consider their business goals, competitors, the regulatory environment, the market size, their infrastructure and systems and other factors.


Chapter - 1

Introduction

Outsourcing could enable FSP’s to grow dramatically through business alliances, e.g. ICICI Bank in India works with more than 300 specialized community leaders as sales agents to expand the ICICI client base. (Prabhu Doss, k & Immanuel Babu) 14

With the focus on cost savings, other financial advantages that can be gained through off shoring may not be so immediately apparent. We have already seen that salary costs are much lower in may offshore destinations. Infrastructures costs on the other hand, are largely constant around the world. Projects that were once considered to be of little value can become financially attractive if the work is carried out overseas. Payback periods can be shorter & resource-intensive initiatives can become viable with the much lower salary costs incurred offshore (Elizabeth A Sparrow) 15

Outsourcing decisions must be made within the market context, including geographic concentration of financial institutions and their points of service. The geographic dispersion of banking facilities and the services they provide can have a significant impact on economic development and client access to financial services. Physical branch presence has been a cornerstone of bank strategy in providing financial services. However, advances in new technology may change a bank’s geographical strategy and impact the effectiveness of branching regulations. Customers now have many options to make payments-in person or remotely by mail, phone, internet,

ATM’s and other points of service with retailers and other business. (Burgess & Pandey, 2003)\textsuperscript{16}

To be sure, outsourcing has been slow to come to the finance department, but now even that is changing. In addition to payroll, which is outsourced by half of all companies, more than one-third of companies currently outsource some or all of their tax work. Outsourcing is growing in other areas of the finance department as well, such as accounting and reporting, receivables and payables, expense processing. While this still reflects a piecemeal approach, it does show a growing trend. (N. Saravana Bhavan)\textsuperscript{17}

Outsourcing of service activities provides advantages not only for the service-buying firm, but also for its customers. Through outsourcing of service activities, the service buying firm can focus on its core competencies (i.e., using in sourcing for the core service activities that it can do the best) and be flexible enough to meet the ever-changing demand in the market place by designing the service package and outsourcing remaining non-core service activities from the best-in-class providers, consequently, the service firms suppliers have access to a wider customer base through providing service activities to the service buying firm. The service-buying firm’s customers in turn receive service activities performed by a multitude efficient specialized service providers, thus enjoying convenience and extra value.

16. Burgess & Pandey; ‘Outsourcing for Financial Service Providers’

www.supportindustry.com

Service firms need to be aware of the opportunities available to them through strategic outsourcing activities. (A. Latha, 2003) 18

Outsourcing is a valuable strategic tool for the banks enabling them to focus on their core competencies by shifting direct operational responsibilities to a third party service provider and gaining industry expertise. But the success of outsourcing decision primarily rests on the edifice of three pillars, viz. the proper identification of activities to be outsourced, selection and monitoring of a service provider to ensure that there is no disruption in the timely delivery of quality service as per the agreed terms and most importantly structuring a service level agreement that is flexible enough to make amendments, review at regular intervals in the event of any unforeseen situation. It is to be well ingrained in the minds of people who are party to the bank’s outsourcing decision that changes in banking are taking place with rapid speed and are unprecedented many times. Unless these aspects are factored into the process of outsourcing decision, mere delegating of activities for cost implications alone does not bring desired efficiency or effectiveness for the growth of the organization. It is very important to note that the outsourcing arrangement is of long tenure and absence of proper exit clause in the service level agreement may drive the bank to either pay more than warranted or satisfy with the poor service level standards of the provider. It is therefore essential that the top management spare valuable time and resources for all

the purposes of an outsourcing decision. Handled properly with the bent of professionalism, outsourcing proves an excellent business opportunity to reduce costs and increase efficiency / productivity, which are the primary concerns of well managed banks. (Srinivasan H.S. & V.S.R. Murthy, 2005) 19

Outsourcing allows better alignment between cost structure and revenues, greater flexibility to introduce new products, more innovative investment structures, access to new technology, rapid integration of the same into the company’s systems and greater ability to keep pace with changing regulations and markets. The core activities presently being outsourced by Indian banks includes hardware and software maintenance, hosting, management of data centers, outsourcing of data center operations, applications support, disaster recovery facilities management, comprising network management and monitoring, maintenance of websites and maintenance & management of ATM’s. While these are the more popular activities, some of the emerging opportunities exist in areas of e-banking initiatives, e-commerce outsourcing, complete outsourcing of the IT function and outsourcing the entire ATM setup and operation to a third party.

Outsourcing can take place at individual, process and functional levels. But its important to note that if managed properly, outsourcing can be an efficient risk mitigation tool. Outsourcing in Banks and financial services may finally be coming of the age. Financial services organizations continue to struggle with capital adequacy,

operational costs and need to improve shareholder return and to meet all these challenges by continuing focus on their main business and organization’s vision – *Outsourcing is one such solution.* (Narinder Kumar Bhasin, 2007).

Business process outsourcing has emerged as a separate rapidly growing industry. Due to fast developments in information technology, the Indian banking sector is outsourcing a good portion of their routine activities. Fully automated banking transactions are the outcome of the outsourcing initiatives in banking. In the run for more profits and productivity, banks try to reduce cost through outsourcing. Right from mobilizing deposits to the disbursal of loans, banks engage outsourcing agencies in different degrees. Of the available models of outsourcing, like joint venture, offshore, on-shore, near shore etc., banks will have to choose one according to their convenience. Based on the nature of need, banks can choose a method out of the available ones like package implementation method, problem solution method, traditional method or innovation method. For an effective outsourcing arrangement, banks must follow certain principles like, adoption of a policy, identification of areas for outsourcing, prioritization of them, linking the outsourced processes and integration of the system etc. Very recently, RBI has come out with a set of norms for banks outsourcing, to have regulatory control. It stipulates the prohibited areas and

the principles to be followed by banks. Therefore, banks will have to adhere to them for maintaining discipline. (P. Suresh Kumar, 2006).  

Business Process Outsourcing is going to see bigger growth than IT in this decade. It will reduce transaction costs and allow companies to disintegrate into process. They would retain their core competency and outsource even critical processes to specialist firms. Even big companies are entering into BPO and new entrants will have to find a niche. The outsourcers looking to implement outsourcing their non-core functions have to consider the issues mentioned above. It will enable them to choose the right kind of Vendor and can look forward to implement the outsourcing job more effectively and efficiently.

The evaluation of the outsourcing paradigm will be built on this premise. A synthesis of the pyramidal model of sub-contracting and horizontal networks is likely to emerge and the role of the parent organization will be to integrate and synergize as per customer specification. What happened in the manufacturing sector over the years will be true in service industries also which is possible because of technological revolution. This is particularly so in services where face-to-face service delivery is either not required or desired by customers for reasons of convenience and cost advantages. The Indian BPO firms have to consistently prove their capabilities to deliver and create near indispensable situation for the parent to survive without them. This will not only involve growing technical and domain expertise but also refinement in systems and practices while keeping Costs under control.

In essence, BPO firms have to manage their consolidation and growth challenges simultaneously. The BPO industry needs sound infrastructure and a sensible regulatory framework. Telecom costs constitute almost 25-30 percent of the operational costs of BPO centers. The cost of technology is also higher in India. The cost of technology in US is $5000, but it is same in India. The Government needs to bring the telecom infrastructure and technology of India to global standards before India can realize its full potential in this sector. (P. Rajendran, K. Ramasamy & D. Ramesh, 2007).

Outsourcing and particularly the globalization (offshoring) of business services, has been one of the most talked-about and significant business trends of the new millennium. The business need for cost-containment, growing capabilities and maturity of the offshore outsourcing vendors have contributed to this rush largely. Among the industry verticals, the financial industry has been one of the earliest and the leading consumer of outsourcing services. Based on the revenue mix of the major global outsourcing vendors, Celent estimates that the financial services industry contributed between 35% to 40% of the overall spending on outsourcing in 2005. Celent believes that by 2010, the financial services industry would have spent US$ 80 billion on outsourcing services. India has traditionally been and continues to be the favorites offshore destination for outsourcing. A large portion of the value is derived from the financial services customers; they contributes between 25-100% of the total revenues for many of the large Indian IT

Companies. The Indian IT Industry fares impressively when compared to the growth of the Worldwide IT Industry. The Indian outsourcing industry consists of global and Indian companies that rank high on size, maturity, quality, domain expertise, global footprint, customer base, complexity of projects undertaken, and process-oriented delivery models. (Sandeep Habbar, 2007) 23

Outsourcing the technology related functions is very common among banks across the globe. Outsourcing offers a quick transformation of the bank but security can be compromised. Within finance organizations, cost reduction has been a constant focus-inherent in the very nature of the function. But many companies are recasting the role of finance. They are attempting to transform finance from a backward-looking, number-crunching organization to one that is future-oriented and focused on providing value through deeper analysis and insight. For more than a decade, finance organizations have been pursuing a cost reduction agenda. Simultaneously, finance has been attempting to transform itself from a backward-looking, number-crunching organization to a function that is future-oriented, with a focus on analysis and problem solving. While many can lay claim to achieving their cost and efficiency objectives, far fewer have created an effective organization that provides insight to the business that drives bottom line impact. Shared

services have been used as a key enabler of change, but with mixed results. (Steve Rogers and Susan D Stewart, 2004). 

One of the major developments during the period was the introduction of new delivery channels for customers, by banks. Internet Banking, Mobile Banking, Mobile Automated Teller Machines (ATMs), multifunctional ATMs, shared ATM services, large scale usage of Real Time Gross Settlement (RTGS) for quick, immediate funds transfer and smart card based cards as part of initiatives aimed at Financial Inclusion are some of the landmark developments aimed at improving customer service facilitation using innovative systems.

Within the Reserve Bank too, there have been many developments using IT which have an impact on the financial sector of the country. The stabilisation of the RTGS system has resulted in the entire approach to liquidity management by banks undergoing a sea-change. The introduction of the Online Tax Accounting System (OLTAS) for tax related payments for the Central Board of Direct Taxes and the Electronic Accounting System in Excise and Service Tax for the Central Board of Excise and Customs have revolutionized the method of tax payment to the Government. Filing of returns by banks through the Online Line Return Filing System (ORFS) which has commenced is poised to make the process of submission of data to the Reserve Bank less cumbersome.

24. Steve Rogers and Susan D Stewart, IT @ Financial Services; Banking Industry, November, 2004.
As far as the environment for IT enabled services is concerned, there have been welcome developments too. The availability of multiple service providers for network based communication has resulted in varied options for users and the quality of service has also improved. This has prompted the migration from Closed User Group Networks to use of public networks, albeit with adequate safeguards. IT systems have also shown substantial strides in terms of later versions of systems with more resilient and better features.

All these have resulted in the need for a review of the FST Vision, so as to ensure that developments in technology are harnessed optimally for the benefit of the banking sector in particular and the financial sector of the country in general. (Financial Sector Technology Vision, Deptt. of IT., RBI, 2007). 25

RBI guideline on Outsourcing is intended to provide direction and guidance to banks to adopt sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from such outsourcing activities. This draft guideline is applicable to outsourcing arrangements entered into by a bank with a service provider located in India or elsewhere. The service provider may either be a member of the group/conglomerate to which the bank belongs, or an unrelated party. The principles behind these guidelines are that the regulated entity should ensure that outsourcing arrangements neither diminish its ability to fulfill its obligations to

Customers and RBI nor impede effective supervision by RBI. Banks therefore have to take steps to ensure that the service provider employs the same high standard of care in performing the services as would be employed by the banks if the activities were conducted within the banks and not outsourced. Accordingly banks should not engage in outsourcing that would result in their internal control, business conduct or reputation being compromised or weakened. Banks would not require prior approval from RBI for outsourcing of financial or other services except where the service provider is located outside India or when the outsourcing is in relation to doorstep banking. (Draft Guidelines on Outsourcing of Financial Services by banks, RBI Notification 2005).  

From the preceding discussion it emerges that the study of the outsourcing of financial services by bank is the need of the hour as the financial sector has been facing problem in maintaining the privacy principle. They should take care not to outsource functions that involve cash handling or ones that would violate security concerns of its clientele. It is not worth mentioning that in most of the literature that has been collected, more contemplation has given on the narrative overview of the problem rather than providing the key to solve the problems. As this sector is growing rapidly by making large profit and are facing pressure to reduce costs due to increased competition

or budgetary constraints, these factors strengthen the ground for conducting a study on the outsourcing of financial services by banks.

**SIGNIFICANCE OF THE STUDY:**

The study is very much helpful for the banker to take a future course of action. It would enhance the services of financial BPO’s; improve the qualities of the service of Banks for the satisfaction of the society. The study is helpful to find out the satisfaction level among Bankers both public and private Bank as well as future growth. It also increases the awareness level on non-user in this particular field.

The study helps in developing suitable methods on outsourcing of financial services by Bank. It is also help in finding out ways and means for getting better services from financial BPO’s and as well as give better services by Bank. Lastly, the study is helped in Identifying best possible alternatives available for bank and empowering the knowledge of outsourcing of financial services by Bank and guidelines of Reserve Bank of India on this regard. All the Banks are outsourcing their financial services and growing rapidly. Which make the subject as strong base for the study.

**PROFILES OF THE BANKS UNDER STUDY:**

The Sampled Companies of the study comprises of four Banks of India, two from public sector and two from private sector banks. We have purposively selected State Bank of India being the largest of the public sector banks and another public sector bank i.e. Bank of Baroda both are outsourcing their financial services. In private sector
banks we have selected ICICI Bank being the largest of the private sector banks in India and another top most bank in private sector is Axis Bank.

Profiles of State Bank of India:

State Bank of India is the nation's largest and oldest Public Sector bank. The evolution of State Bank of India can be traced back to the first decade of the 19th century, some 200 years to the British East India Company. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesigned as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the Bank of Bengal. These three banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27th January 1921. An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of independent India, in 1951. The Plan aimed at serving the Indian economy in general and the rural sector of the country, in particular. Until the Plan, the commercial banks of the country, including the Imperial Bank of India, confined their services to the urban sector. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee recommended the formation of a State-partnered and state sponsored bank. The All India Rural Credit Survey Committee proposed the take over
of the Imperial Bank of India, and integrating with it, the former state-owned or state-
associate banks. Subsequently, an Act was passed in the Parliament of India in May
1955. As a result, the State Bank of India (SBI) was established on 1 July 1955. 27 This
resulted in making the State Bank of India more powerful, because as much as a
quarter of the resources of the Indian banking system were controlled directly by the
State. Later on, the State Bank of India (Subsidiary Banks) Act was passed in 1959. The
Act enabled the State Bank of India to make the eight former State-associated
banks as its subsidiaries.

The State Bank of India emerged as a pacesetter, with its operations carried out by the
480 offices comprising branches, sub offices and three Local Head Offices, inherited
from the Imperial Bank. Instead of serving as mere repositories of the community's
savings and lending to creditworthy parties, the State Bank of India catered to the
needs of the customers, by banking purposefully. The bank served the heterogeneous
financial needs of the planned economic development.

**Branches**

The corporate center of SBI is located in Mumbai. In order to cater to different
functions, there are several other establishments in and outside Mumbai, apart from
the corporate center. The bank boasts of having as many as 14 local head offices and
57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has

more than 15000 branches, well networked to cater to its customers throughout India and more than 80 offices in nearly 35 other countries, including multiple locations in the US, Canada, and Nigeria.

**ATM Services:**

SBI provides easy access to money to its customers through more than 8500 ATMs in India. The Bank also facilitates the free transaction of money at the ATMs of State Bank Group, which includes the ATMs of State Bank of India as well as the Associate Banks – State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, etc. You may also transact money through SBI Commercial and International Bank Ltd by using the State Bank ATM-cum-Debit (Cash Plus) card.

**Subsidiaries**

The State Bank Group includes a network of SBI and seven banking subsidiaries and several non-banking subsidiaries. Through the establishments, it offers various services including merchant banking services, fund management, factoring services, primary dealership in Government securities, credit cards and insurance.

**The seven banking subsidiaries are:**

- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Indore (SBIR)
- State Bank of Patiala (SBP)
- State Bank of Travancore (SBT)
- State Bank of Hyderabad (SBH)
- State Bank of Mysore (SBM)
- State Bank of Saurashtra (SBS)

**Products and Services**

*Personal Banking:*

SBI Term Deposits SBI Loan for Pensioners
SBI Recurring Deposits Loan against Mortgage of Property
SBI Housing Loan Loan against Shares & Debentures
SBI Car Loan Rent plus Scheme
SBI Educational Loan Medi-Plus Scheme

Other Services:
Agriculture/Rural Banking, NRI Services, ATM Services, Demat Services, Corporate Banking, Internet Banking, Mobile Banking, International Banking, Safe Deposit Locker, RBIEFT, E-Pay, E-Rail, SBI Vishwa Yatra Foreign Travel Card, Broking Services, Gift Cheques, etc.

Financial Highlights

Fiscal Year End: March
Revenue (2010): 29728.50 ML
Revenue Growth (1 yr): 37.10%
Employees (2009): 205,896

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Profiles of Bank of Baroda:

Bank of Baroda is one of the most prominent banks in India, having its total assets as Rs. 1,43,146 Crores as on 31st of March 2007. The bank was founded by Maharaja Sayajirao Gaekwad III (also known as Shrimant Gopalrao Gaekwad), the then Maharaja of Baroda on 20th of July 1908 with a paid capital of Rs. 10 Lacks. From its introduction in a small building of Baroda, the bank has come a long way to achieve its current position as one of the most important banks in India. On 19th of July 1969, Bank of Baroda was nationalized by the Government of India along with 13 other commercial banks.

Financial Details:

As of March 2007, the bank had total deposits worth Rs. 1,24,915 Crores while it had a total number of 2956 branches located worldwide as on April 2009, out of which 626 were located in Metro cities, 524 in Urban areas, 642 in Semi-Urban locations, 1092 in Rural areas and 72 were located outside India. The bank has 10 Zonal Offices and 43 Regional Offices which help it control its operations nationally.

International Presence

Along with a huge network of its branches spread across India, Bank of Baroda has its overseas branches located in 14 other countries, which include Bahamas, Bahrain, Belgium, China, Fiji Islands, Hong Kong, Mauritius, Republic of South Africa, Seychelles, Singapore, Sultanate of Oman, United Arab Emirates, United Kingdom and USA. Apart from it, the bank has established its subsidiaries in 7 countries viz. Botswana, Ghana, Guyana, Kenya, Tanzania, Trinidad & Tobago and Uganda, and its representative offices in 3 countries which are Australia, Malaysia and Thailand.
Other Details

Bank of Baroda had a total workforce of 38063 employees offering their services to the institution as of September 2006. Out of these, 13525 were Officers, 16497 were Clerks while 8041 were Sub-Staff members.

The bank offers a wide array of customized and specialized services to meet the diverse needs of its customers, and these services have been categorized into Personal Banking, Business Banking, Corporate Banking, International Banking, Treasury Banking and Rural Banking services.

Head Office

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Suraj Plaza-1, Sayaji Ganj,
Baroda-390005.

Bank of Baroda
Baroda Corporate Centre,
Plot No - C-26, G - Block, Bandra - Kurla Complex, Bandra (East),
Mumbai-400051

Website: www.bankofbaroda.com.

Profiles of ICICI Bank:

ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%. In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock
Exchange (NYSE), thereby becoming the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. In the next year, it acquired the Bank of Madura Limited in an all-stock amalgamation. Later in the year and the next fiscal year, the bank made secondary market sales to institutional investors.

With a change in the corporate structure and the budding competition in the Indian Banking industry, the management of both ICICI and ICICI Bank were of the opinion that a merger between the two entities would prove to be an essential step. It was in 2001 that the Boards of Directors of ICICI and ICICI Bank sanctioned the amalgamation of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmedabad as well as the High Court of Judicature at Mumbai and the Reserve Bank of India.

**Present Scenario:**

ICICI Bank has its equity shares listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited. Overseas, its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). As of December 31, 2008, ICICI is India's second-largest bank, and first in private sector Bank, boasting an asset value of Rs. 3,744.10 billion and profit after tax Rs. 30.14 billion, for the nine months, that ended on December 31, 2008.
Branches & ATMs:
ICICI Bank has a wide network both in Indian and abroad. In India alone, the bank has 1,420 branches and about 4,644 ATMs. Talking about foreign countries, ICICI Bank has made its presence felt in 18 countries - United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank proudly holds its subsidiaries in the United Kingdom, Russia and Canada out of which, the UK subsidiary has established branches in Belgium and Germany.

Products & Services:  
- Personal Banking  
- Deposits  
- Loans  
- Cars  
- Investments  
- Insurance  
- Demat Services  
- Wealth Management

Business Banking:  
- Corporate Net Banking  
- Trade Services  
- SME Services  
- Custodial Services

NRI Banking:  
- Money Transfer  
- Bank Accounts  
- Investments  
- Property Solutions  
- Insurance  
- Loans

* Cash Management  
* FX Online  
* Online Taxes
Profiles of AXIS Bank:

Axis Bank was formed as UTI when it was incorporated in 1994 when Government of India allowed private players in the banking sector. The bank was sponsored together by the administrator of the specified undertaking of the Unit Trust of India, Life Insurance Corporation of India (LIC) and General Insurance Corporation ltd. and its subsidiaries namely National insurance company ltd., the New India Assurance Company, the Oriental Insurance Corporation and United Insurance Company Ltd. However, the name of UTI was changed because of the disagreement on terms and conditions of the bank authority over certain stipulations including royalty charged over the name from UTI AMC. The bank also wanted to have a new name from its pan-Indian as well as international business perspective. So from July 30, 2007 onwards the UTI bank was named as Axis Bank.
Axis Bank: Branches and Business

Set up with a capital of Rs.115 crore- with UTI contributing Rs. 100 crore, LIC contributing Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs. 1.5 crores, the bank came in operation with its first registered office at Ahmedabad. Today, Axis Bank has more than 726 branch offices and Extension Counters spread over 341 cities, towns and villages of the country. Presently, the authorized share capital of Axis Bank is Rs. 300 Crores and the paid up share capital is Rs. 232.86 Crores. The Axis bank is currently capitalized with Rs. 282.65 Crores with a public holding of 57.05% apart from the promoters. The FY2009 shows a net profit of Rs. 500.86 crore up by 63.24% yoy over the Net Profit of Rs. 306.83 crores for the third quarter of last year.

Axis Bank: Facilities and Services

Axis Bank its customers with all kinds of facilities that should be provided by a modern Bank. It deals with personalized as well as commercial banking. It has one of the largest spread ATM network in the country.

Corporate Facilities:

* Cash Credit            * Working Capital Demand Loan
* Export Finance         * Short Term Loan
* Term Loan              * Clean Bill Discounting
* LC Backed Bill Discounting * Co-Acceptance of Bills
* Credit Facilities against Guarantee or Stand By Letter of Credit issued by Foreign Banks
* Letter of Credit       * Bank Guarantee
* Solvency Certificates

**Personal Facilities:**

* Home Loans          * Personal Loans
* Car Loan            * Zero Balance Savings Account
* VBV - Online purchases using Credit Card
* VBV / MSC - Online purchases using Debit Card
* Mobile Banking      * NRI Account
* Study Loans         * Mohur Gold
* Easy Savings Account

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