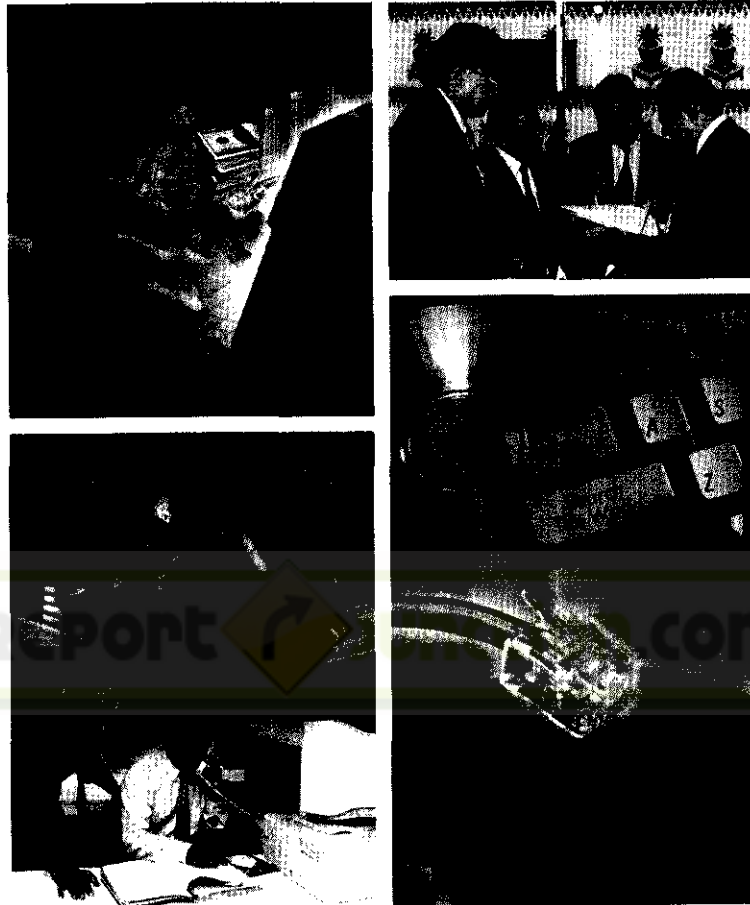


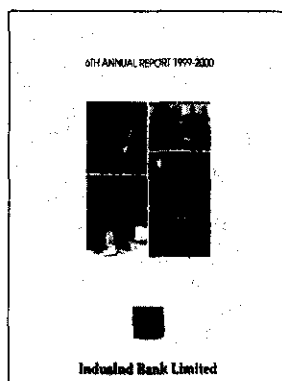
6TH ANNUAL REPORT 1999-2000



IndusInd Bank Limited

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A blend of Technology and
people setting service
paradigms

IndusInd Bank Limited

— BOARD OF DIRECTORS —

Arjun G. Asrani *Chairman*
 R. Ramakrishnan
 Ashok Wadhwa
 Vijay Vaid
 Anil Harish
 Padmini B. Khare
 Jeet P. Chugani
 O.P. Sodhani
 Ram Buxani
 Lal Tolani
 K. R. Maheshwari *Managing Director*

Secretary Gopal Lohiya *Company Secretary*

Auditors M/s. M. P. Chitale & Co.
 Chartered Accountants,
 Hamam House,
 Ambalal Doshi Marg, Fort,
 Mumbai - 400 001. India.

Solicitors Crawford Bayley & Co.
 Solicitors and Advocates
 State Bank Building,
 NGN Vaidya Marg,
 Mumbai - 400 023. India.

Registered Office 2401, General Thimmayya Road,
 Cantonment, Pune - 411 001. India.

Corporate Office IndusInd House,
 425, Dadasaheb Bhadkamkar Marg,
 (Lamington Road),
 Mumbai - 400 004. India.

Registrars & Share Transfer Agent (Registered Office) Intime Spectrum Registry Pvt. Ltd.
 Shree Ganesh Industrial House,
 1st Floor, 'B' Wing, Near Amar Cinema
 Waman Tukaram Patil Marg,
 Chembur, Mumbai - 400 071. India.

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of IndusInd Bank Limited will be held at Hotel Le Meridien, R.B.M. Road, Pune 411 001, India, on Monday, the 29th day of May, 2000, at 2.30 p.m., to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the financial year ended 31st March, 2000 together with the Report of the Directors thereon.
2. To declare Dividend on equity shares for the financial year ended 31st March, 2000.
3. To appoint a Director in place of Shri. R. Ramakrishnan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vijay Vaid, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Anil Harish, who retires by rotation and being eligible, offers himself for re-appointment
6. To appoint Statutory Central Auditors for the Bank to hold office from the conclusion of this Annual General Meeting and fix their remuneration.

Special Business :

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :-

"RESOLVED THAT Shri Ram Buxani, who was appointed as an Additional Director by the Board of

Directors pursuant to Section 10A and 16 of the Banking Regulation Act, 1949 and who holds such office until the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom, the Bank has received a notice in writing as required under Section 257 of the Companies Act 1956 from a member signifying his intention to propose Shri Buxani as a candidate for the office of Director, be and is hereby elected and appointed as Director of the Bank liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :-

"RESOLVED THAT Shri Lal Tolani, who was appointed as an Additional Director by the Board of Directors pursuant to Section 10A and 16 of the Banking Regulation Act, 1949, and who holds such office until the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom, the Bank has received a notice in writing as required under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri Tolani as a candidate for the office of Director, be and is hereby elected and appointed as a Director of the Bank, liable to retire by rotation."

By Order of the Board

Pune
Dated : 2nd May, 2000

Gopal Lohiya
Company Secretary

IndusInd Bank Limited

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. The proxy form, should be lodged with the Bank at its Registered Office at least 48 hours before the time of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Bank during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
4. Shareholders are requested to kindly bring their copies of the Annual Report to the Meeting.
5. Members/proxies should bring the attendance slip duly filled in for attending the meeting

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No. 7

Shri Ram Buxani was appointed as Additional Director of the Bank pursuant to Section 10A and 16 of the Banking Regulation Act, 1949 and Article 100 of the Articles of Association of the Bank in the Board Meeting held on January 14, 2000, and accordingly he shall hold office upto the date of the ensuing Annual General Meeting of the Bank under Section 260 of the Companies Act, 1956. The Bank has received a notice in writing along with a deposit of Rs. 500/-, pursuant to Section 257 of the Companies Act, 1956 from a member proposing him as candidate for the office of Director. Shri Ram Buxani has filed with the Bank his consent to act as a Director of the Bank.

Shri Ram Buxani is a leading NRI businessman from Dubai and it will be advantageous for the Bank to avail of his expert advice in the field of international trade finance. Accordingly your Directors recommend approval of the resolution.

None of the Directors of the Bank, other than Shri Buxani, is in anyway concerned or interested in passing of the Resolution.

Item No. 8

Shri Lal Tolani was appointed as Additional Director of the Bank pursuant to Section 10A and 16 of the Banking Regulation Act, 1949 and Article 100 of the Articles of Association of the Bank in the Board Meeting held on January 14, 2000, and accordingly he shall hold office upto the date of the ensuing Annual General Meeting of the Bank under Section 260 of the Companies Act, 1956. The Bank has received a notice in writing along with a deposit of Rs. 500/-, pursuant to Section 257 of the Companies Act, 1956 from a member proposing him as candidate for the office of Director, Shri Lal Tolani has filed with the Bank his consent to act as a Director of the Bank.

Shri Lal Tolani is a leading NRI businessman from London and it will be advantageous for the Bank to avail of his expert advice in the field of credit and foreign exchange. Accordingly your Directors recommend approval of the resolution.

None of the Directors of the Bank, other than Shri Tolani, is in any way concerned or interested in the passing of the Resolution.

By Order of the Board

Gopal Lohiya
Company Secretary

Pune

Dated : 2nd May, 2000

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Sixth Annual Report together with Audited Accounts of the Bank for the financial year ended 31st March, 2000.

Financial Performance		(Rs. in Crores)
	As on 31.03.2000	As on 31.03.1999
Deposits	6545.97	5018.42
Advances	3677.05	2662.27
Operating Profit	212.57	131.44
Net Profit	56.09	36.80

Your Directors recommend appropriation of profit as under

	(Rs. in Crores)
Operating Profit	212.57
Less : Depreciation on Fixed Assets	21.71
Less : Provisions and contingencies	134.77
Net Profit	56.09
Profit brought forward	29.55
Add : Transfer from Revenue Reserves	29.22
Less : Provision for Contingencies	29.22
Less : Tax Adjustment of Previous Years	—
Amount available for Appropriation	85.64
Transfer to Statutory Reserves	14.02
Transfer to Revenue Reserves	27.08
Proposed Dividend	20.00
Corporate Dividend Tax	2.00
Balance carried over to Balance Sheet	22.54
Total	85.64

Profit

For the financial year ended 31st March, 2000, the Bank earned a higher operating profit of Rs. 212.57 crores as against Rs. 131.44 crores in the previous year, an increase of 61.72%. The net profit also rose to Rs. 56.09 crores as compared to Rs. 36.80 crores in the previous year registering a growth of 52.42% mainly due to a better interest spread, favourable market conditions for securities trading, increase in fee based income and lower operating expenses for the Bank.

Dividend

The Directors of your Bank have recommended a dividend of 12.50% on the equity capital of the Bank for the year ended 31st March, 2000, which, if approved at the forthcoming Annual General Meeting, will be paid to all equity shareholders whose names appear on the Register of Members on the 29th May, 2000.

Deposits

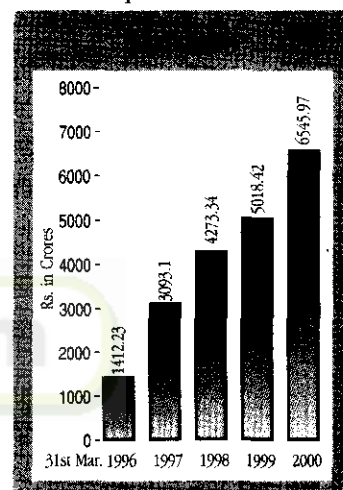
The total deposits of the Bank as on 31st March, 2000 were Rs. 6545.97 crores, which translate into a growth of 30.44%

over the previous year as against the industry average of 13.5%.

The Bank's current account and savings bank balances as on 31st March, 2000 were Rs. 869.68 crores and Rs. 137.42 crores as against Rs. 560.04 crores and Rs. 93.97 crores respectively at the end of the previous year. This growth of 55% in current account balances coupled with a 46% growth in the savings bank balances indicates that the Bank's persistent efforts towards reduction of cost of funds and growth of retail business have begun to yield encouraging results.

With a view to further reduce the cost of deposits, the Bank has consciously run down the level of high-cost certificates of deposit from Rs. 628.00 crores in March, 1999 to Rs. 155.61 crores, which now constitutes only 2.3% of the aggregate deposits as at the end of the year.

With the Bank's continuous efforts to boost the retail segment, the current year is expected to witness a period of stable and low cost deposits growth giving the Bank the opportunity to leverage its assets' side more profitably in the medium and long term.



Advances

The net advances of the Bank stood at Rs. 3677.05 crores as on 31st March, 2000 as against Rs. 2662.27 crores in the previous year, registering a growth of 38.12% as against the industry average growth of 16%. The credit-deposit (CD) ratio of the Bank was 56.17%.

Capital Adequacy and Tier II Capital

Though the capital adequacy of the Bank at the beginning of the year was at a comfortable level of 15.16%, in order to ensure sufficient cushion to support higher level of advances in the coming years, the Bank raised tier II capital of Rs. 50 crores in the month of March 2000 through a private placement of 5,000 non-convertible, unsecured, redeemable, subordinated debt bonds of Rs. 1 lac each for a period of 63 months at a coupon rate of 12.20% payable annually. With this, the capital adequacy of the Bank as on 31st March 2000 stood at a level of 13.24% with tier-I capital being 12.09% and tier-II capital 1.15%.

Economic Scenario

As the country advanced into the new millennium, the overall state of the economy appeared to be in fine fettle. Despite the several challenges in the form of Kargil, weak monsoon, super

IndusInd Bank Limited

cyclone, elections etc, the year witnessed a broadbased economic recovery. Overall GDP growth is nearly 5.9%. The inflation rate fell from from double digit figures to a record low of 3.7%. Public food stocks at 29.74 million tonnes as at the end of February 2000 are more than comfortable. Exports have turned around from negative growth last year to a level of 13 % this year. The foreign exchange reserves have touched a new high of US\$ 35.06 billion. Most importantly, the stock markets, which are used as a barometer of the economy activity, have reached new highs mainly driven by the information technology sector. However, agricultural production (all commodities) has declined marginally from 202.8 million tonnes in 1998-99 to 201.6 million tonnes during 1999-2000.

A welcome feature of the macro economic development last year was the substantial acceleration in the growth of industrial output. The recovery in industrial production witnessed in the first six months of the year was further consolidated during the second half of the year despite foreign competition, reduction in tariffs, gradual disappearance of quantitative restrictions and globalization. The service sector has witnessed unprecedented success, particularly in the field of Information Technology. The ICE (Info-tech, Communications, Entertainment, etc.) sector occupies the centre stage of our economy at present. In fact, a new economic is emerging built around the ICE sector. The 21st century will be a cyber driven world and in this, India could emerge as a major player.

However, certain concerns are justified on the fiscal front. The economic survey has drawn pointed attention to the fact that the combined gross fiscal deficit of Central and State Governments, which had declined from 9.2% of GDP in 1991 to 6.27% in 1996-97 has climbed back to 8.9% in 1998-99 and is expected to rise further in the year under review. Notwithstanding the adverse effect of large fiscal and revenue deficits, a stable government, a moderately low inflation, an economy showing signs of recovery, an opposition willing to co-operate in enforcing second generation reforms, rising exports and a comfortable position in foreign exchange reserves should take the economy to a growth path comparable to what has been achieved by China in recent years.

Banking Sector

Reserve Bank of India in its monetary and credit policy announced on 28th April 2000 hinted that the banking system in the country has graduated to a position where it should not need the crutches of assured liquidity support at an assured rate of interest. Even during the previous monetary and credit policy announcement in October 1999, the stance of the monetary policy was to continue to be in the direction of facilitating adequate availability of liquidity along with stable medium and long term interest rates with policy preference for softening to the extent circumstances permit. Further, after review of liquidity and market conditions, the RBI also announced a number of monetary easing measures to lower the interest rates i.e. a reduction in Bank Rate by 1% from 8% to 7%, CRR cut of 1% from 9% to 8% in two tranches of 0.5% each, reduction in the Repo rate by 1% from 6% to 5% and

finally a fall in the savings deposit rate of scheduled commercial banks from 4.5% to 4% etc.

The Union budget for financial year 2000-01 also had some positive impact on the banking sector, i. e. the taxing of the income distributed by debt oriented mutual funds and UTI (except US 64) at 20% instead of 10% earlier, which would curtail the dividend pay-out, thus making bank deposits an attractive option. The withdrawal of interest tax will reduce the cost of borrowings and should increase the credit off-take in the economy.

One of the most important announcements made by RBI is that the banks having a minimum networth of Rs. 500 crores, with capital adequacy of 10%, a reasonable NPA level and continuous net profit for three years will be eligible for entering into Insurance joint ventures. The Board is happy to confirm that your Bank meets the above criteria laid down by RBI.

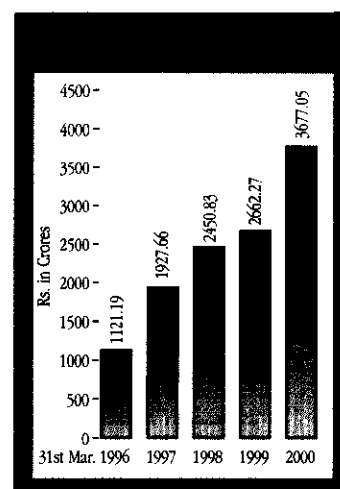
Corporate Banking

In the context of the recent liberalisation in virtually all sectors of the Indian Economy, and an ongoing financial sector deregulation, it is fairly clear that a host of domestic companies, if not the entire industry, are likely to undergo considerable change. This is causing many traditional Indian companies to rise to the challenge and become more competitive; at the same time, it is likely to cause a severe setback for less efficient domestic companies that lack the management or capital resources to face the challenges lying ahead. These changes might result in a deterioration in the quality of loan portfolios of commercial banks. In addition, the interest rate deregulation is also exerting upward pressure on the cost of funds of the Banks, thereby squeezing the profit margin. It is in this context, that the Bank had reexamined its overall credit process and lending philosophy and chalked out a business strategy focussed on large and medium size corporate entities. At the same time, the Bank has further sharpened the exposure norms and also upgraded its existing credit risk management architecture with a view to avoiding the pit-falls associated with the opening up of the economy and globalisation.

During the year, the Bank witnessed substantial growth in credit mainly in qualitative terms. The gross disbursement stood at Rs. 1014.79 crores during the year bringing aggregate advances to Rs. 3677.05 crores indicating a growth of 38.12% as at the end of the year.

Priority Sector Banking

During the year the Bank continued to take imaginative steps to ensure that the priority lending keeps pace with the overall credit expansion of the Bank, without diluting the quality so that the target of



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40% of net bank credit as stipulated by Reserve Bank of India is reached. As a result, direct lending under the priority sector increased to Rs. 742.04 crores, registering a growth of 13.50% during the year which may be considered satisfactory viewed in the context of our emphasis on quality assets. The Bank's advances to the priority sector as a percentage of net credit stood at 30.38% as against the stipulated level of 40%.

Asset Management

The Asset Management Department, set up last year for exclusively handling non performing asset accounts, has been working towards gradual reduction in the net non performing assets. The Non Performing Asset Management Committee meets once every fortnight to closely review the non performing assets and provide directions to the branches. A non performing asset management and loan recovery policy has been laid down indicating a broad approach including critical parameters to be taken into account for recovery of loans through compromise settlements. Emphasis is being laid on enhancing the security cover, rehabilitation of viable units and evolving acceptable compromise proposals. However, legal action is being initiated wherever necessary. While references made to BIFR slow down recovery, it is hoped that changes in the Debt Recovery Tribunal Act, 1993 would help the Bank in the recovery process. The performance of the Branches in this direction is continuously monitored. These persuasive activities have already started yielding positive results in the form of closure of some non-performing asset accounts, strengthening of security and striking of compromise settlements in some other cases. The net non performing asset level was reduced from 7.20% last year to 5.98% this year.

Investment Banking Services

Investment Banking

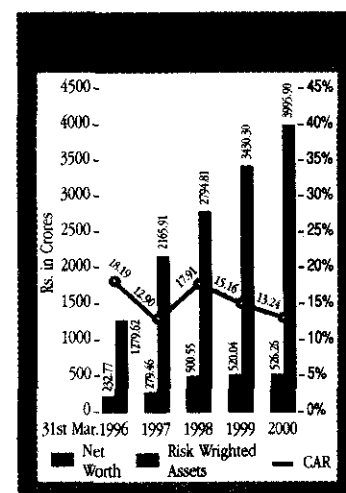
The primary market has become more active with advanced and new techniques of price determination viz. book building offer was utilised for the first time in India. Information technology and media companies floated the public offers successfully in the second half of the financial year 1999-2000. The Bank which acted as "Banker to Issue" for 8 assignments and mobilised funds aggregating Rs. 179.34 crores, was also appointed Debenture Trustee in 4 cases aggregating Rs. 172.50 crores. and handled one Merger and Acquisition assignment.

In October 1999, the Bank accepted the assignment of acting as a "Clearing Banker" to National Stock Exchange. The Bank was also appointed as a Clearing Bank to Calcutta Stock Exchange in the month of March 2000. As a Banker to the Stock Exchanges, the Bank is in a position to attract substantial float funds through brokers and stock exchanges accounts. The Bank has extended guarantee facilities to NSE and other stock exchange brokers, which generate fee income and float funds by way of margin money to the Bank.

The Bank's "Indus Demat Cash Scheme", wherein the Bank lends to individuals against their shareholding in blue chip companies in demat form has facilitated retailing of the Bank's advances with liquidity and safety.

Depository Services

The Bank established itself as one of the leading depository participants (DP) of the National Securities Depository Limited (NSDL) among the new private sector banks, foreign banks and some large broking houses. As on 31st March, 2000, the Bank had 22,911 depository accounts with dematerialised shares worth Rs. 63,947 crores, which is one of the highest figures among non-custodial DPs in the country. Though the number of accounts is not very large, the accounts are remunerative.



Equity Trading

The Bank started equity trading from October 1999 with a total corpus of Rs. 10 crores. As per investment policy, the Bank decided to invest in only 'A' group / NIFTY shares having large market capitalisation and adequate liquidity. With the bullish trend prevailing, though with high volatility, the Bank could post a profit of Rs. 1.23 crores on an average investment of Rs. 7.50 crores for 5 months thereby giving an annualised yield of 40%.

Global Banking

The demand for International Banking services slackened due to various factors including recessionary trends in international markets. This led to the growth in India's exports only by 13% as against projections of 20% at the year-end. Capital imports too suffered due to dull investment activity. However, our international banking operations not only retained their market share but in fact improved their performance in the export finance area. The quantum of risk free non-fund based clean remittances business grew from Rs. 3329.75 crores in the previous year to Rs. 3604.12 crores during the year to due to unique FAST FOREX services.

The Bank has a well knit Global Banking Division with primary focus on export-import transactions. A number of the Bank's corporate clients are offered access to international funds market through the Banks correspondent network of 187 international banks.

Global Banking products include structured trade finance, foreign letters of credit, guarantees, stand by letters of credit, remittances, acceptances, collections etc. The Bank takes care of specialised project / activity funding in foreign currency.

To channelise and service remittances from the Middle East and Gulf countries, drawing arrangements are being negotiated with exchange companies in these countries. To service remittances to the beneficiaries promptly, arrangements with Money Gram International have been finalised.

In line with its thrust on technology, the Bank is planning to

IndusInd Bank Limited

implement a new integrated software solution for trade finance and other international banking services.

Your Bank is fully prepared to initiate its well-conceived action plan to exploit the emerging business potential and enhance coverage of international banking operations in the years to follow.

Forex Dealing

The Indian Rupee market witnessed subdued activity during most part of the year with the rupee ranging between Rs. 42.45 to Rs. 43.65 to a U.S. Dollar and forward premia moving in a tight band of 2.85% to 6.75%. Corporate activity was also at a very low key as the market moved in predictable ranges. The dealing team at Forex Treasury actively interacted with the branches to sustain and explore new business opportunities. The Bank's daily newsletter on foreign exchange market was well appreciated by the corporate clientele. Views on Indian rupee and major currencies by the forex team were well received in the inter-bank market.

Despite the low-key activity seen in the forex market your Bank did well in the market by posting a profit of Rs.10.39 crores.

Treasury

This was the year of falling interest rates. In spite of the Government borrowing to the order of Rs. 99,630 crores, the RBI managed to keep the interest rates under control and reduce the bank rate by 100 basis points over the year. Reduction in the PPF rates in January 2000 was a clear indication of the declining interest rates regime. The banking system sailed through the much-hyped Y2K problem and the measures taken by the RBI to avoid any bottlenecks led to a spectacular rally in the bonds market. The Bank took maximum advantage of falling yields by lengthening the portfolio and booked nearly Rs. 65.78 crores as trading profit.

NRI Business

The Bank's client base includes Non-Resident Indians (NRIs) spread across the globe. In response to the growing needs of its international high networth clients etc., it has acquired valuable relevant expertise. Its fluency in the prevailing financial trends and sound knowledge of the local environment has helped its NRI customers to profitably invest in India.

The deposits from the NRI business segment accounted for Rs. 910 crores, which constituted 14.17% of the total deposits. During the year, the Bank expanded its range of portfolio investment services resulting in more customers availing of these services. This segment generated a remittance turnover of US\$ 360 million during the year.

The Bank's web site attracted an increasing traffic during the year. The "NRI Guidance" at the site was specially designed as a comprehensive investment guide for the NRIs. The Bank was successful in developing new relationship accounts with clients across the globe through the internet and an increasing number of customers availed of the Bank's internet banking facility.

The Bank will be setting up a centralised business division to serve as a single contact point for all the services a NRI customer of the Bank may require through any of its branches in the country. This will help the customer through further reduction in the response time and improve the efficiency of delivery.

Retail Banking

During the year, the Bank continued its systematic thrust into retail activities and the number of retail accounts grew from 83,372 to 1,02,449 as on 31st March, 2000, a growth of 22.88% over the previous year.

The number of ATM cardholders also went up from 10945 as on 31st March, 1999 to 17858 as on 31st March, 2000, a growth of 63.16% over the previous year. All IndusInd ATMs are online and inter-connected and during the year, the number of ATMs grew to 22 in 17 cities covering 20 locations. The Bank also proposes to tie up with SWADHAN, the shared payment network system promoted by the Indian Banks Association to enable the Bank's clients to access funds at a large number of locations.

With a view to widening the scope of our 'Anywhere / Anytime Banking' facility during the current year, it is proposed to set up 10 off-site ATMs and also on-site ATMs in all those branches which currently do not have this facility.

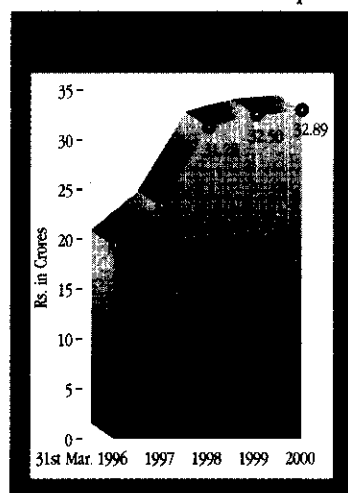
On the Telebanking front, customer awareness on the facilities offered by the Bank at Mumbai increased resulting in a higher utilisation level. The Bank has plans to upgrade and extend this facility. In the coming year the Bank proposes to establish tele-banking centres at Calcutta, New Delhi and Chennai.

With a view to providing our clients a comprehensive range of products and services, the Bank is entering into an arrangement with HSBC and MasterCard for the issue of co-branded credit cards to our customers.

Certain new products like :- Indus-Comfort, Indus Senior Citizens Scheme, Millennium Deposit Scheme, in addition to refinements in interest rate on products like Indus-Home, etc. have been launched during the year. The Bank aims to launch more such products in the forthcoming year, in order to concentrate and consolidate its capabilities in the niche areas.

Scheme of 'Payment/Collection of Customers' Cheques Anywhere' - Fast Cash

As you are aware, your Bank launched a Scheme of 'Payment/Collection of Customers' Cheques Anywhere' (Fast Cash), under which the constituents were entitled to access the network of the branches of the Bank to ensure effective cash management. The scheme allows customers to deposit cheques at various centres for local clearing, the credit for which is given to the main account with the base branch on the same day. The



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facility of payment of cheques at remote branches is also available under the scheme. This enables the constituents to save on time and transaction cost and overcome the locational hindrances. The facility of payment and collection of cheques is made available to the constituents free of cost.

During the year under review, your Bank received a very good response from the mid-cap corporates as well as a number of co-operative banks in the western belt. As on March 31, 2000, 570 constituents as against 250 constituents in the previous year, were availing this facility, with substantial float funds to the extent of Rs. 150.00 crores on an average being available to the Bank. Our efforts to bring in more number of accounts under the scheme will continue.

Information Technology

Technology is the Bank's strategic tool for its competitiveness and will continue to provide the cutting edge to set a service paradigm for the banking industry in India at par with international standards. Accordingly, your Bank's technology objectives were aligned with its business strategy. Your Bank could successfully meet the challenge of change of Y2K without any glitches. In its endeavour to provide uninterrupted quality customer service, the Bank has enhanced its communication network to include high speed PAMA (Permanently Assigned Multiple Access) links to identified branches. This would enable the branches to conduct transactions at a greater pace. The Bank has implemented Quaestor, a retail branch delivery system, which will enable the branches to offer better products and services. All the Branches of your bank are SWIFT-enabled.

In its quest for the ultimate customer satisfaction and best service, the Bank is introducing a more focussed branch delivery system. The Bank also offers online Depository Services across the country through all its branches. A depository customer can get his holding/transaction statement from any of the branches of the Bank.

An interface to EQUATION/3 (the core banking system) has been developed inhouse and implemented for enabling the NSE Clearing Bank operations.

As a part of Disaster Recovery Plan, a secondary AS/400 - EQ/3 has been introduced to the Bank's network that enables it to fallback on data requirements in case of a possible failure of the primary system. A constant improvement of our web site at www.indusind.com has been taken up. A new look and feel has been provided to the web site currently. The Bank is embarking on a plan to enhance its services on the web.

The Bank has already been rated high on technology implementation. All the branches are networked and linked to the central site at Mumbai and are able to offer a wide range of products and services. The Bank was the first to implement an international remittances product - FAST FOREX which enables speedier movement of funds across the globe. These technology initiatives of the Bank have been taken with the objective of optimum benefit to the customer within the quality paradigm and would enable the Bank to maintain the technology leadership in its business strategy.

IndusInd Bank is embarking on a major technology initiative. The new technology initiative of the Bank would include the upgrading of its net.bank product to offer payment and settlement capabilities, utility bill payments and other features with true 'on-line to host' features and make indusind.com into a very interactive site. Plans are afoot to make indusind.com a financial and banking 'supermarket' on the web, which would offer a whole range of financial and banking products and services

including an e-trading service by tying up with brokers, integrating its Depository services and bringing this service online to its banking host all on a secure e-environment thereby enabling a truly integrated product offering on the web. A corporate module would also be implemented on the web to offer specialised and integrated services to its corporate customers such as remote LC transmissions, status information, collection details and remittances and other such features over a secure electronic network. It may be noted that the Bank is also planning a strategic alliance with a leading financial software solutions provider for providing the necessary software support for this initiative. It is felt that such initiatives would bring in considerable synergies into the existing business operations. The new initiative would focus on leveraging on the tremendous opportunities that the electronic and internet medium offers and the unique positioning of the Bank and strengths of the group.

Among the other initiatives, the Bank is planning to a fully integrated (to the banking host and the internet) depository services product and a cash management product. The most exciting of the Bank's new initiatives, is the m-commerce where it plans to offer a host of services on the WAP platform. It is also planning to integrate its services and product offerings over the cable with cable operators to usher in a new paradigm in the e-convergence market.

Credit Risk Management

In accordance with the guidelines issued by RBI, the Bank was required to put in place a system of Credit Risk Management. The Bank has accordingly re-vamped the Credit Risk Management Department which will review credit policy, monitor loans of Rs. 5.00 crores and above on an on-going basis, analyse, manage and control credit risk on bank-wise basis, specify standards for presentation of proposals, financial covenants, etc., suggest amendments to delegation of powers, review prudential limits on large credit exposures, analyse asset concentration, monitor quality of loan portfolio for timely detection of weak accounts, check adherence to loan policies and procedures, compliance with regulations, etc. The system

