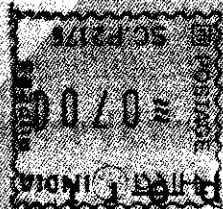


CARE AT EVERY STAGE OF LIFE



GLORIOUS PAST.....MEMORABLE MOMENTS

INAUGURATION OF THE BANK



Honourable Prime Minister of India Dr. Manmohan Singh (the then Finance Minister) and other dignitaries in April, 1994



Dr. Manmohan Singh lighting the lamp. Looking on is Dr. P. C. Alexander (the then Governor of Maharashtra)



Shri Srichand P. Hinduja (Founder, Industind Group) in conversation with Dr. Manmohan Singh

INAUGURATION OF SOME OF THE MAJOR BRANCHES



Shri Arjun Asrani (the then Chairman of the Bank), Shri Ashok P. Hinduja, one of the promoters and Shri Chandrababu Naidu (the then Chief Minister of Andhra Pradesh) at the inauguration of the Secunderabad branch on September 27, 1995



Honourable Finance Minister Shri P. Chidambaram, Shri Madan Lal Khurana, Governor of Rajasthan (the then Chief Minister, NCT of Delhi) and Shri Ashok P. Hinduja at the inauguration of the Delhi branch on October 30, 1995



Shri H.D. Devegowda, Former Prime Minister of India (the then Chief Minister of Karnataka), Shri J.H. Patel (the then Deputy Chief Minister of Karnataka), Shri S. Solomon Raj (the then Managing Director of the Bank) and Shri Ashok P. Hinduja at the inauguration of the Bangalore branch on March 8, 1996

Conceptualised by Mr. Srichand P. Hinduja, one of India's leading non-resident businessmen, IndusInd Bank was born from the vision to use collective contributions from the worldwide NRI community towards India's social and economic development. IndusInd Bank derives its name and inspiration from the Indus Valley civilization. Being the first of the new-generation private-sector Indian banks to be granted a license to begin operations in the liberalised era in the year 1994, IndusInd Bank has blazed a trail in the area of technology-supported, cost-efficient and customer-friendly banking - starting with Corporate and Wholesale Banking and now moving aggressively into Retail Banking. Commitment to technology saw the Bank launching Internet banking in 1996, much before other Indian banks. In September 2002, the Bank introduced a new paradigm in Internet banking - online access to personal bankers - in partnership with the Dublin-based CR2, a global provider of channel banking and card payment solutions. The Bank combines a spirit of innovation with sound business and trade practices. Continuing this tradition, IndusInd Bank became the first commercial bank to achieve certification for its 'Entire Network of Branches' under the ISO 9001:2000 Quality Management System. The merger of Ashok Leyland Finance Ltd. with the Bank will set in a process of consolidation by augmenting the customer base and increasing the Bank's geographical penetration. The Bank is committed to meet and strive to exceed customer requirements through timely, error-free and courteous service. With a decade of experience behind it, IndusInd Bank is scaling new heights and is now poised at the threshold of a quantum growth in business and market penetration.

Report

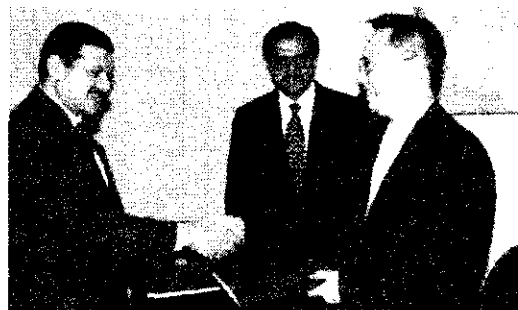
A DECADE OF EXCELLENCE.....NOTABLE EVENTS



September 2000
Ms. Raveena Tandon, renowned film star, launching "IndusInd Bank Credit Card"



September 2001
Mr. Bhaskar Ghose, Managing Director and Mr. Ron Downey, Joint CEO, CR2 Ltd, Dublin exchanging the Agreement on Channel Banking. To Mr. Ghose's right is Mr. S.V. Zaregaonkar, Executive Vice President of the Bank



June 2002
Mr. Bhaskar Ghose and Dr. John Lee, KPMG Consulting, exchanging documents for Enterprise-wide Risk Management

Report Junction.com



April 2003
Mr. Bhaskar Ghose, Mr. Varghese Thambi, Senior Vice President and Mr. Sundar Kataria - Managing Director, International Certifications Services (Asia) Pvt. Ltd, with the ISO Certificate



July 2003
Mr. Bhaskar Ghose launching the "IndusInd Bank, PowerCard - the International Debit Card"



April 2004
Mr. Bhaskar Ghose launches the 10th Anniversary celebrations of the Bank. Looking on are Mr. J.Moses Harding and Mr. N. Suresh Pan, both Executive Vice Presidents of the Bank.

Board of Directors

R. J. Shahaney	<i>Chairman</i>
Vijay Vaid	<i>Director</i>
Anil Harish	<i>Director</i>
Ram Buxani	<i>Director</i>
Lal Tolani	<i>Director</i>
O. P. Sodhani	<i>Director</i>
R. Sundararaman	<i>Director</i>
Kanchan U. Chitale	<i>Director</i>
T. Anantha Narayanan	<i>Director</i>
Bhaskar Ghose	<i>Managing Director</i>

Secretary

Gopal Lohiya	<i>Company Secretary</i>
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Auditors

M/s. Price Waterhouse & Co.
Chartered Accountants
A 3/4, Gillander House, Netaji Subhas Road
Kolkata 700 001, India

Solicitors

M/s. 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

701 Solitaire Corporate Park
167, Guru Hargovindji Marg
Andheri (East)
Mumbai 400 093, India

Registrar & Share Transfer Agent

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078, India

Contents

Board of Directors	3
Notice	4-6
Directors' Report	7-12
Corporate Governance	13-16
Auditors' Report	17
Balance Sheet	18
Profit & Loss Account	19
Schedules	20-25
Principal Accounting Policies	26-27
Notes on Accounts	27-32
Cash Flow Statement	33
Balance Sheet in US Dollars	34
Statement of Holding in Subsidiaries	35
Subsidiaries - Directors' Report, Auditors' Report and Accounts	36-44
Overseas Correspondent Banks	45
Bank Network	46

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of IndusInd Bank Limited will be held at Hotel Taj Blue Diamond, 11, Koregaon Road, Pune - 411 001, India, on Friday, August 13, 2004, at 2:30 p.m. to transact the following business:

Ordinary Business:

1. To consider and adopt the Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at March 31, 2004 together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year.
3. To appoint a Director in place of Mr. Ram Buxani, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Lal Tolani, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Price Waterhouse & Co., Chartered Accountants, the retiring auditors, as Statutory Auditors for the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorise the Board of Directors to fix the remuneration of the Statutory Auditors, and to appoint branch auditors in consultation with the Statutory Auditors and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. T. Anantha Narayanan, who was appointed as an Additional Director pursuant to the applicable provisions of the Banking Regulation Act, 1949, and under Section 260 of the Companies Act, 1956, who holds such office until this Annual General Meeting, 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 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the other statutes as applicable and subject to such approvals, consents, permissions, and sanctions as may be necessary from appropriate authorities, the Articles of Association of the Bank be altered in the following manner:

New Article 123 A be inserted after the existing Article 123, as follows:

Article 123 A - Whole-time Director

"In addition to the whole-time Chairman or Managing Director, the Bank may also appoint one or more whole-time Directors by whatever designation / name they may think fit, and may confer such powers as they may think fit to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as the Board may think expedient, subject, however, that the powers and functions so conferred or entrusted shall not exceed those of the whole-time Chairman or Managing Director as the case may be. Such whole-time Director shall report to the whole-time Chairman or Managing Director as the case may be."

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Section 35B and other applicable provisions, if any of the Banking Regulation Act, 1949 and subject to approval, as may be necessary from Reserve Bank of India (RBI) and other concerned authorities or bodies and subject to conditions as may be prescribed by any of them while granting such approvals, the approval of the members of the Bank be and is hereby accorded for the re-appointment of Mr. R. J. Shahaney as Chairman of the Bank with effect from July 29, 2004 till the conclusion of the next Annual General Meeting."

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the approval of the Reserve Bank of India (RBI) under Section 35B of the Banking Regulation Act, 1949 and the applicable provisions of the Companies Act, 1956; and pursuant to the approval of the Board, consent of the Members of the Bank be and is hereby accorded to the re-appointment of Mr. Bhaskar Ghose as Managing Director of the Bank, not subject to retirement by rotation, for a period of three years with effect from June 16, 2004 on the terms and conditions as may be approved by RBI from time to time."

By Order of the Board

Gopal Lohiya

Company Secretary

Pune

June 29, 2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF 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 the Special Businesses 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 (AGM).
4. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, July 31, 2004 to Saturday, August 14, 2004 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
5. Members/proxies should bring the attendance slip duly filled in for attending the AGM.
6. Members are requested to kindly bring their copies of the Annual Report to the AGM.

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

Item No. 6

Mr. T. Anantha Narayanan, aged about 59 years is a Chartered Accountant, joined the Bank as Director on March 18, 2004.

Mr. Anantha Narayanan has diversified experience in Agriculture and Rural Economy, Banking and Corporate Finance.

Mr. T. Anantha Narayanan was appointed as Additional Director of the Bank pursuant to applicable provisions of the Banking Regulation Act, 1949 and under Section 260 of the Companies Act, 1956. Accordingly, he shall hold office upto the date of this Annual General Meeting of the Bank.

The Bank has received a notice in writing along with the requisite deposit as required pursuant to Section 257 of the Companies Act, 1956, from a member signifying his intention to propose the appointment of Mr. T. Anantha Narayanan as Director of the Bank. Mr. Anantha Narayanan has filed with the Bank his consent to act as a Director of the Bank.

It will be advantageous for the Bank to avail of his experience and expertise in the field of Agriculture and Rural Economy, Banking, and Corporate Finance.

The Directors commend the Resolution at item No. 6 for the approval of the Members.

None of the Directors of the Bank, other than Mr. T. Anantha Narayanan, are in any way concerned or interested in the passing of the Resolution.

Item No. 7

The existing Articles does not provide appointment of whole-time Director other than Chairman or Managing Director. In view of the enlarged business activities arising out of the merger of Ashok Leyland Finance Ltd. with the Bank, creation of a position of whole-time Director under the overall supervision of Managing Director is considered appropriate. It is proposed to amend the Articles of Association to achieve this objective. The whole-time Director so appointed can be conferred with powers / functions which shall not exceed those of the Chairman or Managing Director as the case may be. It is proposed to insert Article 123A to give effect to this. Accordingly, modification in the Articles is proposed by insertion of Article 123A.

Pursuant to Section 31 of the Companies Act, 1956, the approval of the Members is required to be obtained through a Special Resolution for the purpose of altering the Articles of Association of the Bank.

A copy of the Articles of Association of the Bank is available for inspection at the Registered Office of the Bank on any working day of the Bank between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting.

The Directors commend the Resolution at item No. 7 for the approval of the Members.

None of the Directors of the Bank, are in any way concerned or interested in the passing of the Resolution.

Item No. 8

Mr. R. J. Shahaney was appointed as Chairman of the Bank for a period of two years with effect from July 29, 2002 in the Annual General Meeting held on September 28, 2002. The said appointment was confirmed by Reserve Bank of India vide their letter DBOD No. 40/08.87.001/2002-03 dated July 29, 2002. The two-year term of Mr. R. J. Shahaney expires on July 28, 2004.

Mr. R. J. Shahaney, born in 1930, is an engineering graduate from the University of London, and an Associate of the City & Guilds Institute (ACGI). He served as Chairman and Managing Director of Jessop & Co. Ltd., Kolkata (a Government of India Undertaking) before joining Ashok Leyland Limited in 1978 as Managing Director. At present, Mr. Shahaney is Chairman of Ashok Leyland Limited, Hinduja National Power Corporation Ltd., Ashok Leyland

Projects Services Ltd., and Ennore Foundries Ltd. Mr. Shahaney is the past president of the Confederation of Indian Industry (CII), Association of the Indian Automobile Manufacturers (AIAM), and Indian Institute of Welding (IIW), and now continues to serve these associations as Member of their National Council.

In the capacity of Vice Chairman of erstwhile Ashok Leyland Finance Ltd. Mr. R. J. Shahaney had a long association with the said company, which was initially set up as a captive finance company of Ashok Leyland Ltd. when he was the Managing Director. Mr. R. J. Shahaney has thus, thorough insight of the business of erstwhile Ashok Leyland Finance Ltd.

It is felt desirable to have the presence of Mr. R. J. Shahaney till the conclusion of the Annual General Meeting to be held in the next year so that the process of integration of both the companies becomes easier. Your Bank feels the role of Mr. R. J. Shahaney especially crucial at this stage, due to his association with the Bank over the last two years as Non-Executive Chairman.

Keeping in view Mr. Shahaney's broad-based practical experience in finance, law, economics, and business management, his business acumen, and his excellent stewardship of project related matters, your Directors commend the Resolution at item No. 8 for the approval of the Members.

None of the Directors of the Bank, other than Mr. R. J. Shahaney, are in any way concerned or interested in the passing of the Resolution.

Item No. 9

The Reserve Bank of India granted its approval for appointment of Mr. Bhaskar Ghose as Managing Director of the Bank for a period of three years with effect from June 16, 2001. The Board of Directors in their meeting held on June 14, 2004 accorded its approval for re-appointment of Mr. Bhaskar Ghose as Managing Director of the Bank for a period of three years subject to the approval of Reserve Bank of India. Bank has made an application to RBI for necessary approval u/s 35B of the Banking Regulation Act, 1949 for the said appointment.

Mr. Bhaskar Ghose, born in 1954, holds a Bachelors degree in Economics and as Masters degree in Business Management from Indian Institute of Management, Calcutta. Before joining your Bank, Mr. Ghose served Bank of America for twelve years in various capacities, the last being as Vice President and Head - Financial Institutions (1986-89). After leaving Bank of America, he moved to Banque Nationale de Paris for a brief period from April 1989 to May 1990. Thereafter, he shifted to The Bank of New York as its Vice President & Chief Representative for India, Sri Lanka and Bangladesh. He joined your Bank on 3rd October 2000 as Executive Director and subsequently promoted to Deputy Managing Director, of the Bank in January 2001. He was inducted on the Board of the Bank on 3rd April 2001.

Mr. Ghose is a professional banker with more than 27 years of rich experience. It will be advantageous for the Bank to avail of his stewardship in the field of banking.

The Directors commend the Resolution at item No. 9 for the approval of the Members.

None of the Directors of the Bank, other than Mr. Bhaskar Ghose, are in any way concerned or interested in the passing of the Resolution.

By Order of the Board

Pune
June 29, 2004

Gopal Lohiya
Company Secretary

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT /
RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**
(In pursuance of clause 49 of the Listing Agreement)

Name of Director	Mr. Ram Buxani	Mr. Lal Tolani	Mr. T. Anantha Narayanan
Qualifications	Graduate	B.Com (Economics), Special Engineering & International Commerce Training in Europe.	B.Com., A.C.A., A.C.W.A.
Expertise in specific functional areas	A prominent NRI businessman with over four decades of experience in International Trade.	A leading NRI businessman based in London with vast experience in Engineering, Shipping and Power Projects and Oils for forty years. Fifty years practical experience in Agriculture.	Diversified experience in - Commercial Banking - Merchant Banking - Organisational planning - Agriculture & Rural Economy - Industrial & Corp. Finance Has general industry exposure: - Past Chairman of Confederation of Indian Industry, Tamil Nadu Council.
Date of Appointment	January 14, 2000	January 14, 2000	March 18, 2004
List of Companies in which outside Directorship held as on June 29, 2004	1. Sanjay-Gulf Industries (P) Ltd., Amritsar 2. Cosmos-Sanjay Textiles Mills Ltd., Amritsar	Nil in India	1. Ashok Leyland Project Services Ltd. 2. Ashok Leyland Properties Ltd. 3. Ashley Investments Ltd. 4. Ashley Holdings Ltd. 5. Hinduja TMT Ltd. 6. Irizar TVS Ltd.
Chairman / Member of the Committees of the Boards of the other Companies on which he is a Director as on June 29, 2004	N. A.	N. A.	1. Hinduja TMT, Member (Audit Committee) 2. Ashok Leyland Project Services Ltd., Chairman (Audit Committee)

DIRECTORS' REPORT

To all Members,

Your Directors are pleased to present the Tenth Annual Report with the Audited Balance Sheet and Accounts of the Bank for the financial year ended March 31, 2004.

Merger of Ashok Leyland Finance Limited (ALFL) with IndusInd Bank Limited (the Bank)

The High Court of Judicature at Bombay, vide its Order dated May 6, 2004, has sanctioned the Scheme of Arrangement (the Scheme) between ALFL, a leading Non-Banking Finance company, and IndusInd Bank Limited with April 1, 2003 as the appointed date. The Scheme became effective from June 11, 2004, when a certified true copy of the High Court Order was filed with the Registrar of Companies, Pune, Maharashtra. The said merger was also approved by Reserve Bank of India, vide its communication dated June 15, 2004.

Pursuant to the merger the shareholders of the erstwhile ALFL will be given nine fully paid-up equity shares of the Bank for every four fully paid-up equity shares of ALFL held by them on July 16, 2004. These shareholders are entitled to full dividend for the financial year ended March 31, 2004.

ALFL has been a market leader in financing commercial vehicles, construction equipment, and two-wheelers with a branch network of 169 branches and 644 other business locations. ALFL has a large customer base of over 6,70,000. It manages an asset base of over Rs. 3,200 crores as of March 31, 2004.

This merger would help the Bank emerge as a significant player in the growing retail business segment. Apart from leveraging on customer relationships through facilitating the cross-selling of products to the large customer base of ALFL, it will also enable the Bank to expand its branch network in the long term.

The combined operations will augment the overall operational strength of the Bank, resulting in sustained growth, improved financial performance, and enhanced shareholder value.

Financial Performance (post-merger)

Financial Performance	(Rs. in Crores)		(US\$ in Millions)	
	As on 31.03.2004	As on 31.03.2003	As on 31.03.2004	As on 31.03.2003
Deposits	11200.26	8597.87	2561.82	1966.58
Advances	7812.23	5347.85	1786.88	1223.21
Operating Profit (Before depreciation)	481.40	349.55	110.11	79.95
Net Profit	262.06	90.17	59.94	20.62

Your Directors recommend the appropriation of profit as under:

	(Rs. in Crores)	(US\$ in Millions)
OPERATING PROFIT BEFORE DEPRECIATION	481.40	110.11
Less: Depreciation on Fixed Assets	36.72	8.40
Less: Provisions & Contingencies	182.62	41.77
Net Profit	262.06	59.94
Add: Profit brought forward	5.40	1.24
Add: Transfer from Contingency Reserves	275.91	63.11
Less: Provision for Contingencies	275.91	63.11
AMOUNT AVAILABLE FOR APPROPRIATION	267.46	61.18
Transfer to Statutory Reserves	65.52	14.99
Transfer to Investment Fluctuation Reserves	50.00	11.44
Transfer to Capital Reserves	14.75	3.37
Dividend	73.97	16.92
Tax on Dividend	9.48	2.17
Balance carried over to Balance Sheet	53.75	12.29
TOTAL	267.46	61.18

Conversion Rate : US\$1 = Indian Rs. 43.72 (as on March 31, 2004)

Profit

For the financial year ended March 31, 2004, your Bank earned an operating profit of Rs. 481.40 crores and after making necessary provisions, the net profit was Rs. 262.06 crores.

Dividend

The Directors recommend a dividend of 17.50% for the year ended March 31, 2004 (previous year 14%), subject to approval by the members. In addition, to mark the successful completion of ten years by your Bank, a special dividend of 5% is being proposed resulting in a total dividend of 22.50%.

Economic Scenario

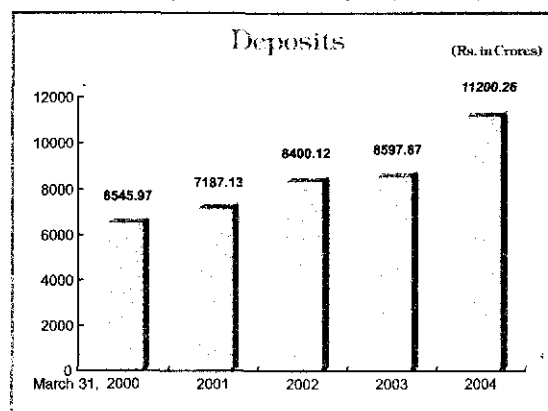
GDP grew during the year at more than 8% with all sectors – agriculture, manufacturing and services – contributing to this growth. Agriculture picked up, helped by excellent monsoon during the year and this in turn had a cascading positive effect on other sectors of the economy. The buoyancy in the manufacturing sector and the early signs of a pick-up in investments are particularly welcome.

Forex inflows continued for the most part of the year and the country's foreign exchange reserves touched a record US\$ 113 billion at the end of the year. Exports grew at about 8% but imports registered a substantially higher growth, with the result that the trade deficit widened during the year. The current account, however, remained in surplus. The inflationary situation, by and large, was benign.

The financial markets in the overall remained stable. The banking industry was witness to several developments of wide and long-term ramification. Among these were the continued thrust on technology upgradation by a large number of banks, the relaxation of norms for FII investments in the banking sector, the further opening of doors for foreign banks, the discussions of mergers and acquisitions among banks, etc. The soft interest rate regime continued during the year and all banks announced benchmark PLRs in conformity with RBI and IBA guidelines. The system was flush with liquidity and, towards the end of the year, there were distinct signs of credit off-take in the corporate sector. Retail assets witnessed healthy growth once again.

Deposits

The total deposits of your Bank as on March 31, 2004 was Rs. 11,200.26 crores, 30.27% over the level of March 31, 2003. A conscious attempt was made during the year to try and align



10th Annual Report 2003-2004

the build-up of deposits with deployment opportunities.

Advances

The net advances of your Bank was Rs. 78,12.23 crores as on March 31, 2004 compared to Rs. 5,347.85 crores as on March 31, 2003, thus registering an overall growth of 46.08%. The growth in the loans portfolio was particularly on account of the merger of ALFL with the Bank.

Capital Adequacy

The capital to risk-weighted assets ratio (CRAR) of your Bank as on March 31, 2004 was a comfortable 12.75%, well above the regulatory requirement of 9%. The Bank raised Rs. 66.50 crores during the year through the issue of Tier II subordinated bonds for a tenure of 63 months. The Tier I component of the Bank's CRAR was 8.91% as on March 31, 2004, as compared with 10.06% as on March 31, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

Corporate Banking

Asset quality continues to be the prime objective in the Bank's various endeavours in the area of Corporate Banking. It is maintained through a multi-pronged strategy of a considered selection of new customers through high standards of appraisal and credit risk policies. A new Credit Risk Determination Model, aligned with RBI's new Risk Management parameters, has been introduced during the year under report. The Bank is continuously adding blue-chip corporates belonging to India's large Industrial Houses, profitable PSUs, and well-performing MNCs to its customer base. A new borrower segment with relatively low competition and high yields, i.e., traders, self-employed professionals, etc., has been identified for potential business growth and a customized Commercial Lending Scheme has been launched. Post disbursement monitoring and periodic reviews of the Bank's sectoral exposure is an ongoing process. Product innovation and competitive interest rates are the key areas. Credit analysis and assessment is also automated, to minimize processing time.

Priority Sector Banking

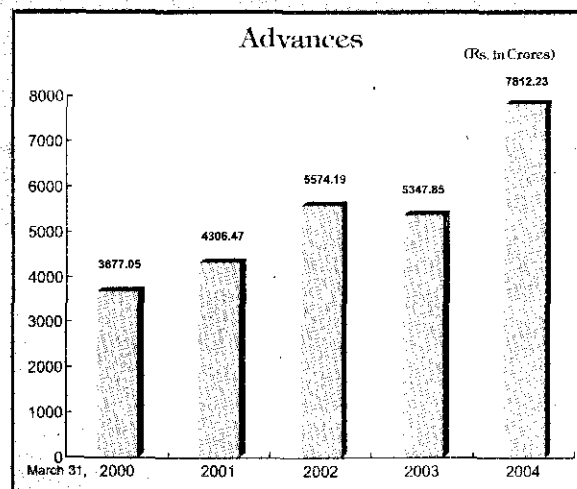
For 2003-04, your Bank achieved 42.31% of lending to priority sectors, compared to the target set by RBI at 40% of Bank's net credit.

Retail Banking

Your Bank, thanks to its technology base, has always had the ability to handle huge volumes of retail banking business in the most cost-effective and responsive manner. This has helped the Bank in no small measure in the present highly competitive retail-banking arena.

Your Bank is committed to enhance the quality and range of services, and offers a complete suite of retail banking products such as anywhere banking, mobile banking, Internet Banking, doorstep banking and phone banking.

Your Bank has realized that it must continually optimize its service distribution network in response to dynamic market changes and new retail business initiatives. In respect of direct banking channels, your Bank has taken several initiatives to amplify its retail thrust. The Bank now issues Debit Cards and acquires card-related transactions, and has tied up with Corporation Bank and UTI Bank for sharing of their ATMs by the Bank's customers. The Bank's network of branches, extension counters and ATMs has been expanded judiciously



in order to augment market reach. 'Indusnet' – the Internet Banking service – caters to on-line customers with the same personal touch that they experience at the branch. A proactive team of personal bankers adhering to high service quality standards processes online requests.

New loan products introduced during the year – housing loans, personal loans and auto loans – aimed at a cross-section of customers have strengthened the retail asset segment. Your Bank has launched specific products to cater to the NRI and High Net Worth segment of customers and has tied up with major Asset Management companies for the distribution of Mutual Fund products.

Beyond these initiatives, your Bank continues to seek innovative ways both to attract new customers and to expand the scope of retail services provided to existing customers.

Investment Banking

The Investment Banking Division is focused on providing services related to capital market activities. Among the main businesses is that of providing guarantees for members of the National Stock Exchange and The Stock Exchange, Mumbai. Another significant activity is the disbursal of Loans Against Dematerialised Shares (LADS) to both retail and broker clients.

Depository Services is another key activity undertaken by the Investment Banking Division. The client profile of depository services is largely retail in nature. Alongwith this, the Division also offers services of debenture trusteeship which is principally corporate in nature.

In line with the surge in the Indian economy in general and the capital markets in particular, the Investment Banking (IB) Division has performed well in the year under report. The principal businesses have shown good growth during the year 2003-04. The amount of guarantees sanctioned to the members of the NSE and the BSE increased from Rs. 32.74 crores as on March 31, 2003 to Rs 78.45 crores as on March 31, 2004. While LADS sanctions to brokers went up from Rs. 14.83 crores to Rs. 45.59 crores over the same period, LADS sanctions to individuals increased from Rs. 4.20 crores to Rs. 18.01 crores. The growth in the depository business was encouraging. Against 20,895 accounts as on March 31, 2003 the customer base expanded to 36,669 in the year under report. The debenture trustee business and the recently revived equity trading business have also shown promising results.