

IndusInd Bank, which commenced operations in 1994, caters to individuals as well as corporate customers. The company has tie-ups with other banks to provide customers access to their ATMs. It has a clearing bank status for the Bombay Stock Exchange and the National Stock Exchange, and three commodity exchanges – MCX, NCDEX and NMCE.

The bank also offers depository participant facilities for the stock and commodity segments. As part of the Green Banking project, the bank opened its first solar-powered ATM in Maharashtra.

Banking on telecom to streamline its operations, IndusInd Bank moved away from a branch-centric model and adopted a centralised approach. This was important to keep pace with competitors and stay connected with customers and partners.

tele.net tracks the development of the company's telecom infrastructure...

### **Legacy system**

To begin with, the bank opted for a very small aperture terminal-based infrastructure at all locations. Thereafter, it switched to a leased line-based hub-and-spoke model.

However, the existing infrastructure was inadequate to support the organisation's growing client base and diversified product portfolio. According to M.K. Madhavan, head, projects and infrastructure, IT, "Our connectivity requirements were not being met, the set-up was too complex and switching users from the primary data centre to the disaster recovery location was difficult and time consuming."

The applications were distributed across different data centres, which was not desirable as the bank's branches needed to access them seamlessly.

### The shift

To streamline operations, the bank decided to modernise its communications set-up. It introduced an MPLS-based communication architecture with several last mile technologies. These included wired lines, Wi-Max and radio frequency. The new system gave access to almost 6,000 employees to the bank's communication set-up.

The minimum bandwidth at each location was 256 kbps, while it went up to 2 Mbps at a few branches, depending on the number of users. Each location had an MPLS connection from Tata Communications and Bharat Sanchar Nigam Limited (BSNL), owing to the high availability and load balancing capability of the medium.

The bank is also considering the deployment of a 3G network for last mile connectivity over a virtual private network.

IndusInd is using telecom to offer an array of banking services. It is, for instance, offering a mobile banking facility, which provides customers access to pull-and-push messages and broadcasts for daily transactions, account balances, etc.

Another initiative taken by IndusInd Bank is the Mobile Top Up service. The bank has tied up with Aircel, BSNL, Virgin Mobile, Reliance Communications, Bharti airtel, Idea Cellular, Vodafone Essar, Spice Communications and Tata Teleservices Limited to offer customers the facility to top up their prepaid connections at any of the bank's ATMs.

The internet is also being used as a medium to connect with customers. The bank offers net banking facilities, enabling customers to access information regarding linked accounts, account statements, account balance, cheque status and loan options.

### Key challenges and benefits

The company had to encounter a few challenges while implementing the new communications architecture. “We faced typical transition-related problems,” notes Madhavan. “It took a while for the MPLS network to settle down. Managing two topologies during the transition period was a challenge that led to confusion at times.”

However, the new system has resulted in several positives for the bank. It has enabled it to carry out its daily operations at a faster pace with smoother data and information transfers. The upgradation has improved the coordination between the bank’s branch offices and the main office.

“We have saved a significant amount of money by ensuring higher uptimes besides lower operational costs,” says Madhavan.

Going forward, the bank has several improvement plans to further upgrade its communications set-up. “Our current service providers are not always available at some of our locations. We are looking for suitable alternatives at these locations. We are also looking to leverage new technologies such as 3G and WDVPN,” says Madhavan.

In all, by upgrading its communications infrastructure, IndusInd Bank is now reaping the benefits of a robust, flexible and cost-effective platform

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