Proxy Advisory Report | Addendum

IndusInd Bank Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION

BSE CODE: 532187

NSE SYMBOL: INDUSINDBK

ISIN: INE095A01012

Industry: Private Sector Bank

Email: investor@indusind.com

Phone: (020) 6901 9000

Registered Office: 2401, Gen. Thimmayya Road (Cantonment), Pune - 411 001

Website: www.indusind.bank.in

MEETING DETAILS

Meeting Type: AGM

Meeting mode: Video Conference (VC) or Other Audio-Visual Means (OAVM)

Meeting Date: 27th August, 2026 at 02:00 PM

Notice Date: 4th August, 2026

Notice: Click here

Annual Report: AR 2025-26

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: NSDL

Cut-off Date: 21st August, 2026

Remote E-voting:

- **Start**: 24th August, 2026
- **Ends**: 26th August, 2026

ADDENDUM REPORT RELEASE DATE: 23rd August, 2026

Research Analyst: Pravar Bhatnagar

Conflict Disclosure: SES - No | Analyst - No

ADDENDUM

There is a change in the SES recommendation on resolution no. 3 from AGAINST to FOR based on the Bank's clarification and additional disclosures. There are **no other changes** in the SES recommendations.

EXISTING RECOMMENDATIONS					
S. No	Resolution	Type	SES Observation#	SES Rec.	Rationale
3	Re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation.	O	LC + ~~GC~~	~~AGAINST~~	~~*Material governance lapses, Board's collective Failure.*~~
REVISED RECOMMENDATIONS					
3	Re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation.	O	LC	FOR	*No major governance concern identified.*

O - Ordinary Resolution; S - Special Resolution; Rec. – Recommendation
 # LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND			
Original PA report Link	Click Here	**PA Report Release Date**	20th August, 2026
Date of Email received from the Bank	21st August, 2026	**Company Email forwarded as SEBI Circular**	Yes

Guide to read addendum:** Company's Views: (in Blue colour)* ***& SES Reply: (in Black colour)

SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Bank's View:

Resolution No. 3: Re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation.

The Bank notes that SES has expressly acknowledged that it has no concerns regarding Mr. Sudip Basu's qualifications, experience, attendance, time commitment, or overall suitability to continue as a Director of the Bank. SES has further recognised that its reservations arise not from any concerns relating to Mr. Basu personally, but from broader observations regarding the derivative accounting matter and the governance oversight associated therewith.

In this regard, shareholders may kindly note the following:

1. Absence of any adverse findings against Mr. Sudip Basu

Neither the SEBI Interim Order nor any other regulatory proceeding contains any finding, allegation or adverse observation against Mr. Sudip Basu. Indeed, SES itself has acknowledged that there are no concerns regarding his profile, competence, attendance, independence or contribution to the Board.

2. Clarification issued by SEBI

SEBI, through its Corrigendum dated June 6, 2025, clarified that the reference in paragraph 32 of the Interim Order to a "Board Note" should be read as an "Engagement Note". This clarification is significant, as it confirms that the document referred to in the Interim Order was not a Board-level document but an engagement note executed by certain members of management.

3. Management-level knowledge cannot be attributed to the Board

The fact that certain members of management may have been aware of potential discrepancies at various stages does not, by itself, establish that the Non-Executive Directors, including Mr. Sudip Basu, were contemporaneously aware of the matter or its full implications. The SEBI proceedings focus on the conduct of specific employees and management personnel and do not contain any finding that the Board was informed of, withheld information regarding, or failed to act upon the matter.

4. Timing of Mr. Basu's appointment

Mr. Basu joined the Board of the Bank on May 30, 2024, several months after the matter was initially identified by the internal team. As a Non-Executive Director, he relied upon information escalated to the Board and its Committees through established governance channels and management processes. There is no basis to conclude that any information was withheld from stakeholders as a result of any act or omission attributable to Mr. Basu.

5. Governance and remedial measures undertaken by the Bank

Following identification of the matter, the Bank undertook a series of actions, including commissioning external reviews and forensic examinations, discontinuing the relevant internal trading activities, assessing the accounting impact, making appropriate public disclosures following materiality assessments and regulatory processes, and implementing multiple remedial and governance-enhancement measures. These actions demonstrate that the matter was duly investigated and addressed through established governance mechanisms.

6. Role as a member of the Risk Management Committee

Membership of the Risk Management Committee does not entail operational involvement in accounting processes. The Committee exercises oversight based on information and reports placed before it by management. There is no regulatory finding suggesting that Mr. Basu failed in the discharge of his responsibilities as a member of the Committee.

7. No regulatory conclusion of any breach

Importantly, no regulator has concluded that Mr. Basu breached his fiduciary duties, failed in his oversight responsibilities, or was involved in the underlying accounting discrepancy.

The proposal before shareholders relates solely to the re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation. In evaluating this proposal, due regard may be given to his qualifications, experience, contribution to the Board and continued ability to discharge his responsibilities effectively.

Mr. Basu possesses over 25 years of experience in banking, financial services, business management and risk management. He has held several senior leadership positions, including that of Managing Director, Citibank N.A., Mumbai, and currently serves as President - Group Risk, Hinduja Group Limited. His extensive expertise in banking and risk management continues to provide significant value to the Bank.

The Bank further notes that Mr. Basu has demonstrated a high degree of commitment in the discharge of his duties as a Director. As disclosed in the AGM Notice and acknowledged in the SES report, he has maintained exemplary attendance and active participation in meetings of the Board and the Committees of which he is a member.

The Bank has also undertaken extensive remedial, corrective and governance-strengthening measures following identification of the accounting discrepancies, including enhancements to governance, risk management, internal control and oversight frameworks, strengthening of reconciliation and monitoring processes, institution of accountability measures and reinforcement of compliance mechanisms. The Annual Report likewise reflects the Board's continued focus on governance renewal, strengthening internal controls, enhancing risk oversight and reinforcing organisational accountability. SES itself has acknowledged that the Bank has implemented several measures to address the identified issues.

Considering Mr. Sudip Basu's extensive banking and risk management expertise, active participation in Board and Committee deliberations, and continued contribution to the Bank's governance framework, the Bank is of the considered view that his re-appointment is in the best interests of the Bank and its stakeholders.

SES Comment:

SES has raised a governance and transparency concern on the proposed re-appointment of Mr. Sudip Basu as a Director who is retiring why rotation, on account of lack of clarity regarding whether Mr. Sudip Basu, was aware of the discrepancy before it became public. If yes then, what corrective actions did the board take to address the issue.

The Bank in its response has provided that "*As a Non-Executive Director, he relied upon information escalated to the Board and its Committees through established governance channels and management processes. There is no basis to conclude that any information was withheld from stakeholders as a result of any act or omission attributable to Mr. Basu*" and "*The fact that certain members of management may have been aware of potential discrepancies at various stages does not, by itself, establish that the Non-Executive Directors, including Mr. Sudip Basu, were contemporaneously aware of the matter or its full implications. The SEBI proceedings focus* *on the conduct of specific employees and management personnel and do not contain any finding that the Board was informed of, withheld information regarding, or failed to act upon the matter*"

The response provided by the Bank suggests that except EDs or KMPs who were directly involved in the matter, the NEDs, including Mr. Sudip Basu, were not aware of the matter or its full implications. The Bank has also mentioned that the RMC was only relying on information and reports placed before it by management.

SES opines that while the scope of oversight exercised by the RMC or Audit Committee should not be viewed as being limited solely to information presented by management. Questions also arise as to how the remaining Board was not aware of the matter when the then MD and CEO had already taken cognizance of the issue. Further, although not appointed as nominee, however, Mr. Basu appears affiliated to promoters as the Director holds full-time position at a promoter company. Hence, promoters would expect an affiliated director to ensure adequate monitoring. It is also noted that the Director was appointed while the matter was being dealt with internally.

However, the determination of whether adequate information was available with the Board and whether the Board discharged its oversight responsibilities appropriately is ultimately subject to the investigation of regulators.

At present, SES has considered the Bank's clarification as well as the remedial and governance measures undertaken at the Bank following identification of accounting discrepancies and insider trading.

Considering the corrective measures undertaken along with the clarification provided by the Bank which explains that NEDs, including Mr. Sudip Basu, were not aware of the matter or its full implications, SES is changing its recommendation **from AGAINST to FOR** on the proposed resolution **#3**.

In line with the above stance, moving forward, SES will not raise concerns on the appointment or re-appointment of the Bank's Directors in other companies, except ex-EDs or ex-KMPs of the Bank who were directly involved in the matter.

However, it is pertinent to note that SEBI, in its Interim Order, had stated that **a detailed examination relating to insider trading, disclosure violations and other violations was ongoing**. The final outcome of such proceedings is yet to be disclosed.

SES will continue to monitor the outcome of SEBI's proceedings to determine whether any findings are made against Directors whom the Bank has stated were not aware of the matter or its full implications. In the event of any adverse findings, SES may take an appropriate policy stance in future.

Bank's View:

Resolution No. 6: Augmentation of capital through further issue or placement of securities including American Depository Receipts, Global Depository Receipts, Qualified Institutional Placement, etc.

The Bank has sought shareholders' approval for augmentation of capital through issuance or placement of securities, including Equity Shares, ADRs, GDRs, Qualified Institutional Placements and other permitted instruments for an amount not exceeding ₹10,000 crores. The approval sought is purely an enabling resolution intended to ensure that the Bank remains appropriately positioned to access capital markets efficiently, should the need arise, in accordance with applicable regulatory requirements and market conditions.

The Bank operates within a highly regulated environment where maintaining adequate capital buffers and financial flexibility is critical to supporting business growth, absorbing unforeseen stress events, complying with evolving regulatory requirements, and safeguarding the interests of depositors and shareholders.

The proposed resolution does not contemplate any immediate issuance of securities. It merely authorises the Board to consider capital raising, if and when required, during the validity period of the approval. Such enabling resolutions are routinely sought by major banks and financial institutions in India as part of prudent capital planning and to facilitate timely access to capital markets. Similar approvals have also been obtained by the Bank in previous years.

With respect to SES's observations regarding pricing and valuation, the Bank submits that any future issuance pursuant to this approval, should it be undertaken, would be carried out strictly in compliance with all applicable legal and regulatory requirements, including the provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, the SEBI Listing Regulations, applicable RBI guidelines, and all other relevant statutory prescriptions. Pricing, valuation, disclosure and approval requirements applicable to the particular mode of issuance at the relevant time would be fully complied with.

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION

The enabling approval neither predetermines the mode of capital raising nor the terms of any future issuance. The Bank will evaluate all available options at the relevant time, having regard to regulatory requirements, market conditions, shareholder interests, capital efficiency considerations and the Bank's long-term strategic objectives.

Accordingly, the proposed resolution represents a prudent and standard corporate measure intended to preserve strategic flexibility and ensure readiness to access capital markets whenever required in the interests of the Bank and its stakeholders.

SES Comment:

SES has raised a governance concern on the proposed resolution #6 due to excessive dilution and there was no clarity on whether valuation report will be obtained for pricing at the time of actual issuance. Valuation is considered pertinent as market price of the Company has been affected in the previous period due to accounting discrepancy matter. The Bank has provided a generic response and the response does not address the concerns raised by SES.

Hence there is **no change** in recommendation on the proposed resolution **#6**, however, shareholders may take note of the aforesaid response provided by the Bank.

COMPANY RESPONSE (FULL VERBATIM)

Dear Sir,

We acknowledge receipt of your voting recommendations in respect of the resolutions proposed for Shareholders' approval at the ***32nd Annual General Meeting of IndusInd Bank Limited, scheduled to be held on Thursday, August 27, 2026.***

We note that SES has recommended voting against the following two resolutions:

Resolution No. 3: *Re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation and;*

Resolution No. 6: *Augmentation of capital through further issue or placement of securities including American Depository Receipts, Global Depository Receipts, Qualified Institutional Placement, etc.*

The Bank values the important role played by proxy advisory firms in fostering high standards of corporate governance, transparency and shareholder engagement. We take note of the observations contained in your report and submit the following clarifications for your consideration:

Resolution No. 3: Re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation.

Bank's Response:

The Bank notes that SES has expressly acknowledged that it has no concerns regarding Mr. Sudip Basu's qualifications, experience, attendance, time commitment, or overall suitability to continue as a Director of the Bank. SES has further recognised that its reservations arise not from any concerns relating to Mr. Basu personally, but from broader observations regarding the derivative accounting matter and the governance oversight associated therewith.

In this regard, shareholders may kindly note the following:

1. Absence of any adverse findings against Mr. Sudip Basu

Neither the SEBI Interim Order nor any other regulatory proceeding contains any finding, allegation or adverse observation against Mr. Sudip Basu. Indeed, SES itself has acknowledged that there are no concerns regarding his profile, competence, attendance, independence or contribution to the Board.

2. Clarification issued by SEBI

SEBI, through its Corrigendum dated June 6, 2025, clarified that the reference in paragraph 32 of the Interim Order to a "Board Note" should be read as an "Engagement Note". This clarification is significant, as it confirms that the document referred to in the Interim Order was not a Board-level document but an engagement note executed by certain members of management.

3. Management-level knowledge cannot be attributed to the Board

The fact that certain members of management may have been aware of potential discrepancies at various stages does not, by itself, establish that the Non-Executive Directors, including Mr. Sudip Basu, were contemporaneously aware of the matter or its full implications. The SEBI proceedings focus on the conduct of specific employees and management personnel and do not contain any finding that the Board was informed of, withheld information regarding, or failed to act upon the matter.

4. Timing of Mr. Basu's appointment

Mr. Basu joined the Board of the Bank on May 30, 2024, several months after the matter was initially identified by the internal team. As a Non-Executive Director, he relied upon information escalated to the Board and its Committees through established governance channels and management processes. There is no basis to conclude that any information was withheld from stakeholders as a result of any act or omission attributable to Mr. Basu.

5. Governance and remedial measures undertaken by the Bank

Following identification of the matter, the Bank undertook a series of actions, including commissioning external reviews and forensic examinations, discontinuing the relevant internal trading activities, assessing the accounting impact, making appropriate public disclosures following materiality assessments and regulatory processes, and implementing multiple remedial and governance-enhancement measures. These actions demonstrate that the matter was duly investigated and addressed through established governance mechanisms.

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION

6. Role as a member of the Risk Management Committee

Membership of the Risk Management Committee does not entail operational involvement in accounting processes. The Committee exercises oversight based on information and reports placed before it by management. There is no regulatory finding suggesting that Mr. Basu failed in the discharge of his responsibilities as a member of the Committee.

7. No regulatory conclusion of any breach

Importantly, no regulator has concluded that Mr. Basu breached his fiduciary duties, failed in his oversight responsibilities, or was involved in the underlying accounting discrepancy.

The proposal before shareholders relates solely to the re-appointment of Mr. Sudip Basu as a Director liable to retire by rotation. In evaluating this proposal, due regard may be given to his qualifications, experience, contribution to the Board and continued ability to discharge his responsibilities effectively.

Mr. Basu possesses over 25 years of experience in banking, financial services, business management and risk management. He has held several senior leadership positions, including that of Managing Director, Citibank N.A., Mumbai, and currently serves as President - Group Risk, Hinduja Group Limited. His extensive expertise in banking and risk management continues to provide significant value to the Bank.

The Bank further notes that Mr. Basu has demonstrated a high degree of commitment in the discharge of his duties as a Director. As disclosed in the AGM Notice and acknowledged in the SES report, he has maintained exemplary attendance and active participation in meetings of the Board and the Committees of which he is a member.

The Bank has also undertaken extensive remedial, corrective and governance-strengthening measures following identification of the accounting discrepancies, including enhancements to governance, risk management, internal control and oversight frameworks, strengthening of reconciliation and monitoring processes, institution of accountability measures and reinforcement of compliance mechanisms. The Annual Report likewise reflects the Board's continued focus on governance renewal, strengthening internal controls, enhancing risk oversight and reinforcing organisational accountability. SES itself has acknowledged that the Bank has implemented several measures to address the identified issues.

Considering Mr. Sudip Basu's extensive banking and risk management expertise, active participation in Board and Committee deliberations, and continued contribution to the Bank's governance framework, the Bank is of the considered view that his re-appointment is in the best interests of the Bank and its stakeholders.

In the absence of any adverse regulatory finding against him, the Bank submits that a recommendation against his re-appointment must not be warranted.

Resolution No. 6: Augmentation of capital through further issue or placement of securities including American Depository Receipts, Global Depository Receipts, Qualified Institutional Placement, etc.

Bank's Response:

The Bank has sought shareholders' approval for augmentation of capital through issuance or placement of securities, including Equity Shares, ADRs, GDRs, Qualified Institutional Placements and other permitted instruments for an amount not exceeding ₹10,000 crores. The approval sought is purely an enabling resolution intended to ensure that the Bank remains appropriately positioned to access capital markets efficiently, should the need arise, in accordance with applicable regulatory requirements and market conditions.

The Bank operates within a highly regulated environment where maintaining adequate capital buffers and financial flexibility is critical to supporting business growth, absorbing unforeseen stress events, complying with evolving regulatory requirements, and safeguarding the interests of depositors and shareholders.

The proposed resolution does not contemplate any immediate issuance of securities. It merely authorises the Board to consider capital raising, if and when required, during the validity period of the approval. Such enabling resolutions are routinely sought by major banks and financial institutions in India as part of prudent capital planning and to facilitate timely access to capital markets. Similar approvals have also been obtained by the Bank in previous years.

With respect to SES's observations regarding pricing and valuation, the Bank submits that any future issuance pursuant to this approval, should it be undertaken, would be carried out strictly in compliance with all applicable legal and regulatory requirements, including the provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, the SEBI

Listing Regulations, applicable RBI guidelines, and all other relevant statutory prescriptions. Pricing, valuation, disclosure and approval requirements applicable to the particular mode of issuance at the relevant time would be fully complied with.

The enabling approval neither predetermines the mode of capital raising nor the terms of any future issuance. The Bank will evaluate all available options at the relevant time, having regard to regulatory requirements, market conditions, shareholder interests, capital efficiency considerations and the Bank's long-term strategic objectives.

Accordingly, the proposed resolution represents a prudent and standard corporate measure intended to preserve strategic flexibility and ensure readiness to access capital markets whenever required in the interests of the Bank and its stakeholders.

In view of the foregoing, the Bank submits that both resolutions are fully compliant with applicable laws, regulatory requirements and accepted governance practices, and that adequate disclosures have been made to shareholders in accordance with applicable requirements.

We therefore request SES to review and reconsider its recommendations on the aforesaid resolutions and consider revising its voting recommendation from "AGAINST" to "FOR" in light of the clarifications set out above.

The Bank remains committed to maintaining the highest standards of corporate governance, transparency and shareholder engagement, and appreciates SES's continued contribution to informed shareholder decision-making.

With best regards,

***** ***** ***

Company Secretary

IndusInd Bank Limited, Secretarial & Investor Services Cell, 701, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri – (East), Mumbai – 400 093, Maharashtra, India

+91 22 6641 2400   investor@indusind.com

Disclaimer

Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*

FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*

GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*

TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. - U74120MH2012NPL232154

Contact Information

Stakeholders Empowerment Services
109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.com
info@sesgovernance.com
www.sesgovernance.com.

Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.