KPMG

Boardroom briefing note 2026

Board Leadership Center (India)

The governance landscape continues to evolve at an unprecedented pace. Alongside regulatory developments relating to data privacy, audit oversight, sustainability and stakeholder transparency, boards are navigating new challenges arising from artificial intelligence, cyber threats, geopolitical uncertainty and changing workforce dynamics. This briefing note highlights select developments and emerging issues that merit board attention and discussion in the months ahead.

The rules are changing. *Faster than many boards anticipated.*

Regulatory developments impacting board oversight

Digital Personal Data Protection (DPDP) Rules
Data protection failures are increasingly viewed as governance failures.

NFRA guidance on auditor–audit committee communication
Audit committees face growing expectations to challenge and document oversight.

Related Party Transactions (RPTs)
Transparency and independent scrutiny remain central to stakeholder trust.

ESG reporting and assurance
Attention is shifting from disclosures to the credibility behind them.

Labour Codes readiness
Workforce regulation is becoming a strategic and operational consideration.

Cybersecurity and digital resilience
The focus is moving from prevention to organisational resilience.

Corporate governance amendments under SEBI LODR
Boards are expected to demonstrate greater accountability and effectiveness.

Financial reporting and internal controls
Regulatory scrutiny continues to reinforce the importance of strong controls.

Boardroom sound bites

17%

Only **17 per cent** India corp. board directors actively shape strategy, **highlighting a significant gap between compliance and strategic governance.**[1]

70%

Globally **70 per cent** of organisations achieve 10 per cent ROI or less from Sustainable AI initiatives, **highlighting the need for stronger board oversight and strategic governance.**[2]

INR 250 Cr

INR 250 Cr maximum penalty under DPDP. Data protection is no longer an IT issue. **It is a boardroom issue.**[3]

78%

78 per cent of audit committees identify cybersecurity as the top digital risk. **Cyber resilience is a boardroom priority.**[4]

149

149 CEOs resigned in 2025. **Leadership continuity and succession readiness remain critical board responsibilities.**[5]

71%

71 per cent of Nifty 100 companies completed BRSR assurance 20+ days after the audit report date. **A work in progress.**[6]

Regulators are increasingly examining not only what an organisation did, but what its **board knew, challenged and documented.**[7]

Source

1. ISB Corporate Governance Report 2025, Jan 2026
2. Sustainable AI is the new performance frontier, KPMG Global, 2026
3. DPDP Act 2023 and DPDP Rules, MeitY, Nov 2025
4. Audit Committee Survey Report 2025, KPMG, Aug 2025
5. India Inc. Sees CEO Exits Rise in 2025, Economic Times, Jan 2026
6. KPMG Accounting and Auditing Update (Issue 115), Feb 2026
7. NFRA Guidance on Effective Communication Between Statutory Auditors and Audit Committees, January 2026

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Beyond compliance: issues shaping board agendas

AI: Governance of opportunity and risk

AI is rapidly moving from experimentation to enterprise-wide deployment. Boards are increasingly discussing governance frameworks, ethical considerations, intellectual property implications, workforce impacts and the safeguards necessary to ensure responsible adoption.

CEO succession and leadership continuity

Leadership transitions remain one of the critical decisions made by boards. High-performing boards are treating succession planning as an ongoing strategic process focused on leadership pipelines, organisational readiness and continuity.

Internal audit's expanding mandate

Internal audit functions are increasingly being called upon to provide assurance over cyber security, data governance, AI adoption, ESG reporting and third-party risks. Boards are expecting more forward-looking insights and strategic perspectives alongside traditional assurance activities. Workforce transformation and future skills

Shareholder activism and stakeholder engagement

Institutional investors, proxy advisors and other stakeholders are becoming increasingly vocal on governance matters. Boards are expected to demonstrate greater transparency, responsiveness and engagement while balancing diverse stakeholder expectations.

Geopolitical volatility and strategic resilience

Trade tensions, regional conflicts, supply chain disruptions and economic fragmentation are reshaping business risk landscapes. Boards are challenging management teams to strengthen resilience through diversification, scenario planning and contingency preparedness.

Culture and conduct as early warning signs

Culture continues to be recognised as a key determinant of organisational performance and resilience. Boards are increasingly seeking insights from whistleblower trends, employee sentiment, attrition patterns and behavioral indicators to identify emerging risks before they manifest in operational or financial outcomes.

Reshaping talent strategies

Boards are discussing workforce readiness, leadership development, critical skill gaps and the long-term implications of automation and digital transformation.

Board effectiveness in an era of complexity

As board agendas continue to expand, directors are reassessing board composition, skills, committee structures and evaluation processes. Continuous learning and periodic refreshment of board capabilities are becoming critical to effective oversight.

Questions for the boards to consider

1	What distinguishes boards that shape strategy from those that primarily monitor performance and compliance?
2	Does the board have the right skill set to oversee technologies needed two to three years from now?
3	Has the role of the audit committee expanded beyond financial reporting into broader oversight of enterprise risk?
4	As sustainability assurance becomes mainstream, what will define ESG credibility and stakeholder trust?
5	As AI moves from a technology topic to a governance priority, how should board oversight evolve?
6	What evidence of effective board oversight will regulators increasingly expect to see?
7	How should boards balance innovation, cyber resilience and data protection in an increasingly digital enterprise?
8	In an era of rising accountability, what will define board effectiveness?

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