KPMG

Mid-year agenda 2026

Board Leadership Center (India)

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As the year reaches its midpoint, boards have an opportunity to step back from immediate business priorities and reassess the assumptions shaping their strategic direction. Our discussions with directors have brought to the fore a set of emerging considerations that reflect the growing complexity of boardroom decision-making; from navigating an uncertain global environment and anticipating interconnected risks to ensuring that business transformation strengthens organisational capabilities and creates enduring value. These developments call for directors to look beyond near-term performance, challenge management's underlying assumptions and evaluate whether current strategies remain fit for a changing business landscape. As boards turn their attention to the remainder of the year, the focus must be on identifying where strategic recalibration may be needed, where new opportunities merit attention, and how today's decisions can shape resilience and competitiveness over the longer term.

Growth amid a fragmented world

India's growth story continues to be supported by strong domestic fundamentals, but the conditions underpinning that growth are becoming less predictable. Weakening currency, renewed inflationary pressures, softer monsoon conditions, volatile energy prices and changing global capital flows are beginning to reshape the operating environment for businesses. The significance lies less in any one indicator than in their interaction: changes in input costs can influence margins; currency movements can alter competitiveness and financing costs; shifts in consumption can change demand assumptions; and global risk sentiment can affect access to capital. As these variables become more fluid, assumptions that supported business plans at the start of the year may warrant a closer look.



For boards, this is ultimately a question of how much resilience is embedded in the growth strategy. Are earnings and cash-flow expectations sufficiently robust if the current environment persists—or if conditions deteriorate further? Where does the business have the flexibility to absorb volatility, and where could relatively small changes in external conditions have a disproportionate impact on enterprise value? And importantly, is management distinguishing between temporary dislocation and structural change? As India continues to pursue its next phase of growth, the board's role is not to respond to every movement in the macro environment, but to ensure that strategy, risk appetite and capital allocation remain resilient to the shifts that could materially alter the company's trajectory.

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AI: From productivity tool to operating-model transformation



As AI moves from experimentation to an increasingly embedded part of how work gets done, the board question is shifting from 'What can AI do?' to 'How should the organisation change because of it?'. The focus on productivity and return on AI investment is giving way to broader questions around operating models, role design, workflows, decision rights and talent. For Indian companies, where technology and talent are central to the competitiveness of many businesses, the implications could be particularly significant. The opportunity is not simply to automate existing work faster, but to rethink where work is performed, how decisions are made and where human expertise remains critical.

This shift also changes the nature of AI oversight. As AI becomes more pervasive, experimentation needs to coexist with clear accountability, appropriate human oversight and controls around data, third parties, cybersecurity, regulatory compliance and reputation. Boards require sufficient visibility to distinguish between AI initiatives that create genuine enterprise value and those that merely add another layer of automation. The challenge is to create enough governance to manage material risks without constraining the experimentation and speed needed to identify where AI can fundamentally change the business.

The future of work, talent and leadership

As organisations redesign work to capture productivity gains from automation and AI, a more fundamental question is emerging: how these changes shape the capabilities and leadership judgment the business needs over the long term? As tasks are reconfigured and decision-making becomes increasingly technology-enabled, traditional pathways through which employees build expertise, exercise judgment and prepare for leadership may weaken. The challenge is to realise the benefits of a transformed workforce without eroding the human capabilities, institutional knowledge and critical thinking that underpin sound decisions and sustained performance.

For boards, this is both a workforce strategy and a business resilience issue. Does the organisation's operating model develop the capabilities it might need for the future, or optimise for near-term efficiency at the expense of its leadership pipeline? Oversight should extend beyond skills availability to how work is structured, judgment is developed and accountability is retained as roles evolve.



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Sustainability as a driver of long-term value



As India pursues economic growth alongside its energy transition and climate commitments, sustainability is becoming increasingly relevant to business strategy, capital allocation and long-term competitiveness. Shifting regulatory expectations, climate-related risks, resource constraints and evolving investor and customer priorities are influencing how companies assess investments, manage operations and build resilience. For Indian businesses, the challenge is to balance growth ambitions with the transition towards more sustainable and resource-efficient business models.

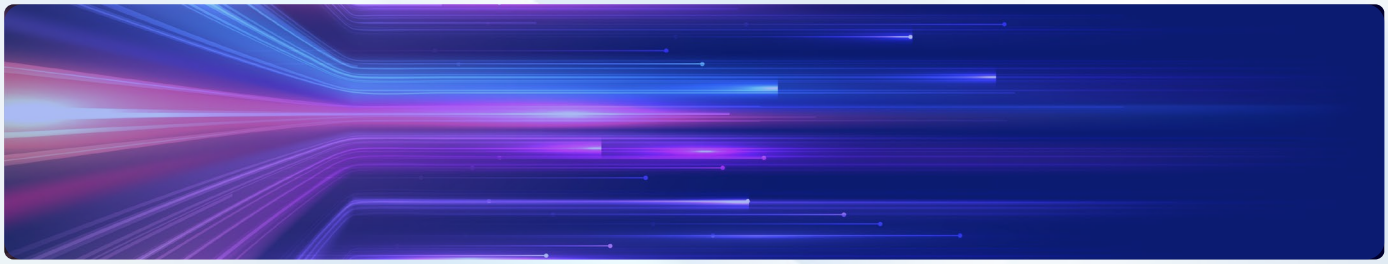
For boards, the focus must extend beyond ESG compliance and disclosures to the implications for enterprise value. Directors need to understand how sustainability considerations influence strategic choices, capital deployment and risk exposure and whether management is translating commitments into measurable business outcomes. The priority is to ensure that sustainability is embedded in decision-making, with clear accountability for progress and a credible view of the value, costs and trade-offs involved.

Reassessing enterprise risk landscape

Geopolitical tensions, shifting trade relationships and technology-driven disruption are creating a more complex risk environment for businesses. Changing trade policies and strategic dependencies can expose vulnerabilities across supply chains and critical third parties, while increasingly sophisticated cyberthreats and emerging technologies, including AI and quantum computing, raise new challenges for security and business continuity. These risks are interconnected, with disruption in one area potentially amplifying exposure across the organisation.

For boards, the priority is to ensure that risk oversight extends beyond individual risk categories to the organisation's broader exposure and resilience. This includes identifying critical dependencies, challenging assumptions about business continuity and assessing whether the organisation can withstand and recover from disruptions that cross geographic, operational and technological boundaries.





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Questions for consideration

- What could break our growth thesis?
- Which strategic assumptions are we still relying on that the market may already be challenging?
- Where are we absorbing volatility today that could become a structural problem tomorrow?
- What would trigger a change in our capital allocation or risk appetite?
- Are we building the strategic optionality to act when the next inflection point arrives?
- How is AI reshaping our competitive position, and where do we risk falling behind?
- Is management translating AI investments into measurable business value—or primarily reporting adoption and productivity gains?
- Does our AI roadmap require a fundamental rethink of the business and operating model, and is management moving fast enough to make that transition?

- Are productivity gains creating unintended gaps in critical skills, leadership capacity orvorganisational resilience?
- Are decision rights and accountability keeping pace with the changing relationship between people and technology?
- Where are our most significant strategic, supply-chain and technology dependencies, and how vulnerable are they to external disruption?
- Where are our most significant strategic, supply-chain and technology dependencies, and how vulnerable are they to external disruption?
- How could geopolitical shifts and changing trade policies affect our risk exposure across markets and critical suppliers?
- Are we assessing interconnected risks collectively, or managing them in silos?

- Are our existing governance and accountability structures equipped to oversee AI-driven decisions and their implications for the business?
- How are we ensuring that AI adoption strengthens, rather than erodes, the human judgment and capabilities critical to our long-term competitiveness?
- Are we balancing near-term productivity gains with the capabilities needed for long-term competitiveness?
- How might evolving roles and automation affect the development of institutional knowledge and independent judgment?
- Is our leadership pipeline equipped to navigate complexity and make sound decisions in increasingly technology-enabled environments?
- Does our talent and succession strategy reflect the capabilities our future business model require?

- Can we sustain critical operations and recover quickly from a significant cyber, supply-chain or geopolitical disruption?
- Are emerging threats, including AI-enabled cyberattacks and quantum-related vulnerabilities, reflected in our long-term risk preparedness?
- How are material ESG factors shaping our strategy and long-term value creation?
- Are our capital allocation decisions aligned with emerging sustainability risks and opportunities?
- How resilient is our business model to climate risks and transition-related costs?
- Are our sustainability commitments translating into measurable outcomes and clear accountability?
- How could evolving regulations and stakeholder expectations affect our competitiveness and access to capital?

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