

Board Committees: Emerging Roles and Responsibilities



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The post-2013 governance settlement in India was, by any objective standard, a success.

The Companies Act, 2013 and SEBI's LODR Regulations gave listed companies a five-committee architecture that looked modern and worked predictably. The Audit Committee would safeguard financial oversight. The Nomination and Remuneration Committee (NRC) would shape board composition and pay. The CSR Committee would underwrite social responsibility. The Risk Committee would oversee enterprise risk. The Stakeholders Relationship Committee would give investors a formal voice.

Governance improved. Compliance became more disciplined. A generation of directors learned their roles within this structure.

For the risks Indian corporations face today, however, this architecture is increasingly under strain.

When the risk does not fit the committee

Take water.

For manufacturers, textile exporters, pharmaceutical majors and FMCG companies, water scarcity is no longer an abstract "ESG issue". It is a live operational threat across multiple states. It affects plant location, capex, supply chains, licence to operate and, ultimately, valuation.

Where does that risk live in the five-committee world?

- The Audit Committee will see it in impairments, provisions and going-concern assumptions.
- The Risk Committee will see it in business continuity plans and risk registers.
- The CSR Committee may fund watershed or conservation projects.
- The NRC can, at best, link executive incentives to water-related targets.

Everyone touches it. No one clearly owns it.

Cyber risk is similar.

A serious cyber incident is a board-level risk. It compromises financial systems (Audit), enterprise risk appetite (Risk), data protection and privacy, which have no obvious statutory home, and the digital backbone of the business, which is often treated as "IT" rather than core strategy. In many Indian boardrooms, cyber risk appears multiple times a year, in multiple places, with no integrated line of sight.

Talent follows the same pattern.

The NRC's statutory brief covers CEO pay, KMP remuneration and board succession. Yet many of the real vulnerabilities sit below that level: succession for the next 50–100 critical roles, diversity and inclusion at scale, and cultural resilience. These topics move between management, NRC, CSR and "strategy discussions," and often lack a single point of structured board oversight.

Even diligent boards, working within the five-committee template, can find that the realities of climate, cyber, human capital and geopolitics do not respect those boundaries. The risks are cross-cutting. The governance can become fragmented despite good intentions.

The quiet rise of the non-statutory committee

India's more self-aware boards have already responded.

Public disclosures show that NTPC now operates multiple specialised committees. Infosys has a dedicated ESG committee. Bharat Forge, Hindalco and conglomerates such as Aditya Birla have all moved beyond the statutory minimum, constituting committees in areas such as sustainability, technology, finance and human capital.

Across the BSE 500, this is now a discernible pattern: roughly 32% of companies run non-statutory committees, most focused on ESG, IT strategy, customer service and investment. These structures are not cosmetic. They respond to a practical governance need: when an issue is both material and specialised, it needs a defined forum.

An ESG committee gives the board a place to consider climate risk, water availability, supply-chain labour standards,

and the requirements of BRSR and international sustainability reporting. A technology committee creates a forum for digital transformation and cybersecurity to be treated as strategic issues. A human capital committee enables the board to approach talent and culture as assets requiring governance, rather than as matters to be left entirely to management.

Institutional investors reinforce this evolution. Questions from large domestic fund houses are increasingly specific: “Where is ESG governed at board level?”, “Who is accountable for cyber strategy?”, “How is human capital overseen?”

Regulation is moving in parallel. SEBI’s BRSR framework has made ESG a core part of listed-company reporting. If current regulatory discussions continue on their present course, formal ESG governance requirements are a logical next step. Cybersecurity standards, data-protection law and diversity initiatives are following similar paths. Boards that establish ESG, technology and diversity committees now can build capability before rules harden. Boards that wait may need to construct governance under regulatory and market pressure.

The board as a portfolio of capabilities

Beneath these structural changes lies a more fundamental shift. The board is being treated less as a set of senior names and more as a portfolio of capabilities.

Under the resource-dependence view of the firm, the board exists to provide the expertise, information and networks the company needs to navigate its environment. Hillman and Dalziel (2003) refer to this as “board capital”.

Skills data from India’s largest companies shows that board capital is being reconfigured.

Among BSE 100 boards, the most sought-after emerging capabilities are:

- Global business exposure – 27% of boards explicitly seek it; and
- Strategic risk management – 26% cite it as a need.

These reflect the demands on Indian companies expanding across borders amid geopolitical disruption and supply-chain risk.

Across the broader BSE 500, demand diversifies. The most cited emerging capabilities are:

- HR and people management – 20.4%,
- M&A expertise – 19.5%, and
- Policy shaping and public policy – 19.5%.

This matches an environment marked by intense competition for talent, an active deal pipeline and a more complex regulatory and political landscape.

These do not replace the traditional foundations of leadership, finance, industry knowledge and strategy; they are added to them. The purpose is straightforward: to equip the board to govern ESG, cyber, human capital, geopolitics and complex transactions with the same seriousness as budgets and financial reporting.

In better-governed boards, the NRC’s skills matrix has become a central planning tool. It connects emerging responsibilities to individuals: who should chair the ESG committee, who understands cyber and data, who has meaningful M&A experience, and who can speak credibly on people and culture.

The remaking of the independent director

Nowhere is this shift more visible than in the role of independent directors.

The traditional model emphasised generalist business experience. Directors often served on multiple boards and multiple committees, providing broad oversight. Time was constrained, but the expectation remained that a capable generalist could supervise most topics with reasonable effectiveness.

This model is being revised.

Boards are increasingly recruiting independent directors for defined areas of expertise. A technology executive is asked to chair the technology committee and lead cyber oversight. A sustainability practitioner takes responsibility for the ESG committee. An HR-intensive business leader contributes primarily to human capital oversight.

The workload context matters. A director sitting on four boards and serving on audit, NRC, risk, CSR and stakeholder committees can easily reach 40 to 50 committee meetings a year. Expecting the same individual to keep pace with developments in climate science, cyber risk, regulation and succession planning is unrealistic.

Specialisation offers a more workable arrangement. A technology-literate director who concentrates effort on a technology committee and its interfaces with audit and risk can add more value than the same director dispersed across several committees. Focus allows for deeper preparation and more substantive challenge.

The supply of such profiles—independent directors with credible expertise in ESG, cyber, people or policy—is limited. As demand grows, so will compensation levels, competition for appointments and scrutiny of performance. Board service at this level increasingly resembles a professional practice rather than an informal post-retirement engagement.

When responsibility shows up on the payslip

Remuneration patterns also reflect these shifts.

Across the BSE 500, members of non-statutory committees earn, on average, ₹59,000 per meeting, compared with ₹56,000 for statutory committee members.

On the surface this may seem counter-intuitive. Voluntary ESG or technology committees appear to attract a higher

fee than long-established statutory committees.

The underlying logic is that remuneration should track responsibility, complexity and time. Many statutory committee agendas, while important, are now well defined. Expectations are clearer, practices are established and cycles are familiar.

Non-statutory committees typically operate in less settled areas. There is less precedent, fewer templates and greater reliance on judgement. An ESG committee must consider climate scenarios, evolving disclosure requirements and stakeholder expectations. A technology committee must address AI, changing threat landscapes and business-model implications. A human capital committee has to think across demographics, geographies and regulatory regimes.

A fee premium for this work signals recognition that these committees carry significant responsibility and require more intensive engagement.

The question for every board

Against this backdrop, the question for Indian boards is straightforward.

Are existing committees aligned to the company's most important risks and opportunities?

A board may be fully compliant with the five-committee framework and still have gaps. If water, climate, cyber, data, human capital and geopolitics are central to the business, and yet are handled intermittently across several committees, oversight is unlikely to be consistent.

Boards that are re-designing their governance are starting from three basic questions:

- Which issues could materially change the shape or value of this company?
- Which of these do not have a clear, accountable home in the current committee structure?
- Do we have the skills and time at board level to oversee them rigorously?

For some, the answer will be one or two additional non-statutory committees, with mandates, composition and information flows designed as carefully as those of statutory committees. For others, it may involve revisiting and re-scoping existing committees to avoid duplication and fragmentation.

The underlying shift is conceptual.

The earlier focus — *"What is the minimum structure regulation requires?"* — is giving way to a more demanding one: *"What governance architecture do we need to manage our actual risks and strategy?"*

Statutory committees provide the minimum framework. Non-statutory committees, and the specialised independent directors who serve on them, extend that framework to match each company's specific context.

Some boards will move only when regulation forces their hand. Others will treat committee design as a strategic lever that affects risk, performance and access to capital.

The difference may not be visible in every quarterly result. It is likely to be evident in the next significant event—whether that is a cyber incident, a climate-related disruption, a leadership transition or a regulatory review—and in the answer to a simple question: "Where, at board level, was this governed?"