

WHAT NEXT? From holding virtual AGMs to engaging independent directors to bring in external perspective, India Inc has put in place a robust mechanism to handle crisis

Agile Boards Take Lead in Helping India Inc Navigate Covid Bumps

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ET Intelligence Group: The Covid-19 pandemic disrupted India Inc in several ways and corporate practices have not been an exception. India Inc, however, negotiated the challenge and manoeuvred through the disruption harnessing the following toolkit:

1. Virtual AGMs: Several companies have chosen to undertake their Annual General Meetings (AGMs) through video conference after the Ministry of Corporate Affairs allowed it during Lockdown 3.0. Companies such as TCS, Infosys, HUL, SBI and Bajaj Auto have been able to conduct virtual AGMs at around the same time as their usual AGM schedules. This is resulting in cost savings and posing fewer problems of logistics, while being more inclusive.

2. Increased Board Engagement: There has been an increase in the inci-



dence of no-agenda, informal online board meetings. The approval on quarterly and annual accounts and the requirement of Covid-related reporting added to the responsibilities of the audit committee, leading to frequent meetings. "Crisis management was the initial theme of these meetings." Milind Sarwate, an independent director on several Indian boards, told ET. "The discussion is now shifting to 'what next,'" he added.

3. Increased Role of Independent Directors: Last month, Sundaram Finance appointed Rajiv Lochan, an independent director for several years, as the director of strategy in an executive role. "Independent directors are being called upon more to bring in external perspectives and contribute to the executive management," said Sarwate. According to SN Ananthasubramanian, a practising company secretary, independent directors have acti-

vely pitched in and are talking more often and on a variety of matters.

4. Risk Management and Budget: The Covid crisis has disrupted the companies' risk matrices. "It has brought to the fore issues like succession planning and ensuring management and leadership continuity," said Ananthasubramanian. "Internal budgets have been reviewed and recast — with some companies switching to six-month budgeting as the situation is volatile," he added. Boards are realising that the risk management frameworks need to shift to what actually happens when the risk manifests.

5. Overcoming Digital Obstacles: Companies took steps to make leadership team bridge the digital divide to get work done. However, information security is emerging as a hitherto unfocused area of governance. "IT employees are now privy to the board proceedings," said Sarwate, pointing to the dangers of virtual meetings.