

# **A Study on the Role of Central Government in Governance of Companies Under Company Law**

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**Abstract:** *The role of the central government in the governance of companies under Company Law in India is pivotal to ensuring transparency, compliance, and accountability in the corporate sector. Company Law, primarily governed by the Companies Act, 2013, outlines the legal framework for the establishment, functioning, and regulation of companies in India. Here's an introduction to the central government's role in this context. The Companies Act, 2013, empowers the central government, as well as relevant regulatory authorities such as the Ministry of Corporate Affairs (MCA), to oversee and regulate various aspects of corporate governance and management. The aim of the study is to analyse the positive impacts and limitations of the central government in governing companies and the ways to increase its effectiveness. The research method followed is descriptive research. The data is collected through questionnaires and the sample size is 204. Convenience sampling method is adopted in the study to collect the data. The samples were collected from the general public in the premises of Chennai. Through the opinion of respondents and the graphs depicted from it, it can be foreseen that the central government has a wide positive scope in embracing the effective governance of companies. Proper implementation of transparent laws regarding the governance of company can be enhanced and achieved through the support of central government. The government regulates mergers, acquisitions, and takeovers of companies to prevent unfair practices and protect shareholders' interests. The central government encourages responsible business practices, sustainability, and corporate social responsibility (CSR) initiatives through legal mandates*

**Keywords:** companies, corporate governance, central government, regulations, acts

## **I. INTRODUCTION**

The role of the central government in the governance of companies under Company Law in India is pivotal to ensuring transparency, compliance, and accountability in the corporate sector. Company Law, primarily governed by the Companies Act, 2013, outlines the legal framework for the establishment, functioning, and regulation of companies in India. Here's an introduction to the central government's role in this context. The Companies Act, 2013, empowers the central government, as well as relevant regulatory authorities such as the Ministry of Corporate Affairs (MCA), to oversee and regulate various aspects of corporate governance and management. The central government plays a crucial role in formulating and amending company laws and regulations. It periodically updates these laws to align with changing business environments, global standards, and economic requirements. It is responsible for the incorporation and registration of companies, ensuring that they meet the statutory requirements and are compliant with the law. This includes approving company names and issuing incorporation certificates. The government monitors the compliance of companies with statutory obligations. It oversees financial reporting, corporate disclosures, and adherence to corporate governance norms. The central government promotes good corporate governance practices by mandating the appointment of independent directors, ensuring board accountability, and requiring transparency in financial reporting. It takes steps to safeguard the interests of shareholders and other stakeholders by enforcing rules related to fraud prevention, insider trading, and shareholder rights. The government regulates mergers, acquisitions, and takeovers of companies to prevent unfair practices and protect shareholders' interests. The central government encourages



responsible business practices, sustainability, and corporate social responsibility (CSR) initiatives through legal mandates.

It provides mechanisms for resolving disputes through forums like the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). Certainly, in the context of Indian Company Law, resolving disputes is a crucial aspect, and the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) are key forums established for this purpose. The National Company Law Tribunal (NCLT) is a quasi-judicial body established under the Companies Act, 2013, to handle various company law matters and disputes. It has jurisdiction over a wide range of cases, including those related to mergers and acquisitions, insolvency and bankruptcy, oppression and mismanagement, and class action suits. NCLT is responsible for approving schemes of arrangement, mergers, and amalgamations under the Companies Act. It provides a forum for creditors and stakeholders to initiate insolvency proceedings against defaulting companies under the Insolvency and Bankruptcy Code, 2016 (IBC). NCLT benches are located in major cities across India to ensure accessibility. The National Company Law Appellate Tribunal (NCLAT) is an appellate tribunal established to hear appeals against orders passed by NCLT benches. It provides a mechanism for parties dissatisfied with NCLT decisions to seek a review and resolution of their disputes at a higher level. NCLAT ensures consistency in the interpretation and application of company law and IBC across the country.

Together, NCLT and NCLAT form a two-tiered system for adjudicating company law disputes in India. This framework enhances transparency, efficiency, and consistency in resolving corporate disputes, thereby contributing to the overall governance and stability of the corporate sector. It's important to note that both NCLT and NCLAT have made significant contributions to streamlining corporate litigation and insolvency proceedings in India, reducing the burden on traditional courts and expediting the resolution of company-related disputes.

The central government in India ensures investor protection in Company Law through a combination of legislative provisions, regulatory oversight, and enforcement mechanisms. The central government mandates that companies must maintain and disclose accurate financial records and statements. This ensures that investors have access to relevant information to make informed decisions about their investments. Company Law in India places significant emphasis on corporate governance practices. It requires the appointment of independent directors, the separation of the roles of chairman and CEO, and the establishment of audit committees to oversee financial reporting. Investors are granted certain rights, such as the right to inspect company records, attend and vote at general meetings, and receive dividends. These rights are protected under Company Law to ensure fair treatment of shareholders. The central government, through the Securities and Exchange Board of India (SEBI), regulates insider trading to prevent unfair advantages for company insiders and protect the interests of outside investors. Company Law provides provisions for shareholders to file petitions with the National Company Law Tribunal (NCLT) in cases of oppression and mismanagement, ensuring that investor grievances are addressed. The central government, along with SEBI, conducts investor education and awareness programs to empower investors with knowledge about their rights and responsibilities. Investors can initiate class action suits against companies for fraudulent and unfair practices. This allows multiple investors with similar grievances to collectively seek redress. The central government regulates takeovers and mergers to protect the interests of minority shareholders during such transactions, ensuring they receive fair compensation. Securities Market Regulation SEBI, as the primary regulatory authority for securities markets, enforces regulations to prevent fraud, manipulation, and unfair trade practices that could harm investors. Under Company Law, certain companies are required to spend a portion of their profits on CSR activities, contributing to the welfare of society and enhancing their image among investors. These measures collectively aim to create a conducive environment for investors, both institutional and individual, by safeguarding their interests and promoting the integrity and stability of the Indian corporate sector. Additionally, regulatory authorities like SEBI and the Ministry of Corporate Affairs play an active role in enforcing these provisions and taking punitive action against companies and individuals who violate investor protection norms. The aim of the study is to analyse the positive impacts and limitations of the central government in governing companies and the ways to increase its effectiveness.



## OBJECTIVES

- To examine the positive impact of government schemes and regulations in proper governance of companies.
- To analyse the limitations of power of the central government over the governance of companies.
- To find ways to increase the effectiveness of the central government's role and power over the governance of companies and the major role of the central government in the governance of companies.

## II. REVIEW OF LITERATURE

**Pallavi Vartak (2018)** This paper is based on purely secondary research from the various literature available in the journal. It is a purely conceptual paper based on the author's recommendations. Keywords Corporate Governance, Transparency, Public sector, Independent monitoring and all other aspects regarding the governance under public undertakings in India. The research paper is conducted with a focus on the public sector. **Tobias Krause (2013)** The present paper is concerned with the political side of the management approach. By systematically characterising the public policies on CSR throughout Europe, it firstly complements the existing, often unsystematic, accounts of how governments address CSR (mostly provided in management journals). The government's role is critical in promoting CSR activities or agendas because CSR is voluntary without mandatory legislation. The method used in this paper is a normative literature review and secondary data procedures. **Faozi A. Al Maqtari (2020)** The present study aims to systematically review the state of the art of corporate governance in India. The study uses a sample of 161 published research papers extracted from 101 journals and 17 publishers' databases. The results indicated that 151 studies investigated the board of directors' issues, 90 studies analysed ownership structure, 64 studies discussed audit committee attributes, and 11 articles studied audit quality. The results provided that among corporate governance issues, board and audit committee independence, foreign and institutional ownership have the highest and majority focus of research in India. In terms of the relationship of corporate governance with other areas, the results exhibited that financial performance has a major concern in prior research. The results also indicated that there is a lack of studies that have samples after 2015. **Regina Anastasia (2012)** This study aims to provide a comprehensive overview from various studies in the scope of corporate governance in the Indonesian market using systematic literature review method. This study provides insights about Indonesian corporate governance studies phases, identify gaps, and suggest outlines for future agenda research. There are 37 studies included in this systematic literature review study. The study used after doing an assessment of the quality, based on predetermined criteria. Furthermore, the studies used will be extracted to collect the methodology, theories, characteristics, and results of the research. From this study, we can conclude that in general, Indonesian good corporate governance led companies to improve their financial performance positively. **Cary Coglianese (2004)** Recent corporate scandals have led to public pressure to reform business practices and increase regulation. Of course, dishonesty, greed, and cover-ups are not new societal concerns. Indeed, much of the existing system of corporate regulation in the United States emerged in response to vagaries of the late 1920s and the subsequent stock market crash. **Muhammad Arslan (2020)** is often split among rule and principle-based approaches to control in idiosyncratic institutional contexts. This split is often primed by the types of institutional conformations, their potencies, and the complementarities within them. Drawing on the theoretical foundation of institutional theory, this study theorises CG practices and structures as institutionally resolute and directed and explores the key institutional determinants of good CG practices in an emerging economy. Based on a qualitative method, this study presents eight specific antecedents of good corporate governance practices in weak institutional settings. **Asan Vernyuy Wirba (2023)** This paper examines corporate social responsibility (CSR) and the role the government can play in promoting CSR. Corporations are an integral part of the large economy of any given society or country whereby these corporations operate. The government's role is critical in promoting CSR activities or agendas because CSR is voluntary without mandatory legislation. The method used in this paper is a normative literature review and secondary data procedures. **Laura Albareda (2007)** This article analyses the CSR public policies in European advanced democracies, and more specifically the EU-15 countries, and provides explanatory keys on how governments have understood, designed and implemented their CSR public policies. The analysis has entailed the classification of CSR public policies taking into consideration the actor to which the governments' policies were addressed. **Reinhard Steurer (2013)** The present



paper is concerned with the political side of the management approach. By systematically characterising the public policies on CSR throughout Europe, it firstly complements the existing, often unsystematic, accounts of how governments address CSR (mostly provided in management journals). Secondly, it also brings the issue closer to political science. After explaining why governments show interest in CSR, the paper introduces CSR as a voluntary contribution to sustainable development. **Gajriwal (2003)** An issue that started off as an interest and motive based Activity for businesses is becoming more commonplace and has increased in importance over time. Government has a role in ensuring that corporations behave according to their social influence and acceptance and the proper functioning of the companies. **Archie B. Carroll (1990)** In this article, the author traces the evolution of the CSR construct beginning in the 1950s, which marks the modern era of CSR. Definitions expanded during the 1960s and proliferated during the 1970s. In the 1980s, there were fewer new definitions, more empirical research, and alternative themes began to mature. These alternative themes included corporate social performance (CSP), stakeholder theory, and business ethics theory. In the 1990s, CSR continued to serve as a core construct but yielded to or was transformed into alternative thematic frameworks. **Wendy Chapple (2005)** This article addresses four hypotheses: (a) that corporate social responsibility (CSR) in Asia is not homogeneous but varies among countries, (b) that the variation is explained by stages of development, (c) that globalisation enhances the adoption of CSR in Asia, and (d) that national business systems structure the profile of multinational corporations' CSR. These hypotheses are investigated through analysis of Web site reporting of 50 companies in seven Asian countries. **Chin Fei Goh (2014)** Corporate governance is often regarded as a main driver of firm performance. However, previous studies often discover contradicting findings about the causal effect of corporate governance mechanisms on firm performance. In this paper, corporate governance literature will be reviewed with a focus on the technology industry. Our paper shows that contemporary literature may overlook the industry and institutional context of technology firms. We propose that a fine-grained empirical setting is important in future research. **James S (2006)** In an emerging economy, the alternative to government control is often no governance. We investigate the governance structure of government-linked companies (GLCs) in Singapore under the ownership/control structure of Temasek Holdings, the government holding entity, which typically owns substantial cash flow rights but disproportional control rights and exercises no operational control. **Jacqueline Christensen (2010)** This study tests whether the adoption of Australian best practice corporate governance recommendations is associated with financial performance measured by return on assets (ROA) and Tobin's Q. Results suggest that recommended corporate governance structures relating to the adoption of board sub-committees are sound policy recommendations that enhance performance using the accounting measure. **Shamsul Nahar Abdullah (2002)** This study investigates the roles of board independence and CEO duality on a firm's performance relying on financial ratios, namely ROA, ROE, EPS and profit margin. This paper argues that if boards and leadership structure are well in place and conform to the practices in other developed countries, the long-term shareholder value is expected to increase and shareholder interests are also well protected. **Yasemin Y.kor (2006)** This paper examines why firms differ in levels of R&D investment intensity by developing and testing a theory of direct and interaction effects of top management team and board outsider composition on R&D intensity. The theory is tested in a longitudinal sample of technology-intensive firms that completed an initial public offering. The results indicate that both top management team composition and board composition have direct and additive effects on R&D investment intensity. **Chamu Sundaramurthy (2003)** Corporate governance is an increasingly provocative topic, evident in ongoing debates between proponents of control versus collaborative approaches. We accommodate these contrasting approaches within a paradox framework, using agency and stewardship theories to elaborate the underlying tensions and to emphasise the value of monitoring, as well as empowerment. we examine reinforcing cycles that foster strategic persistence and organisational decline. We conclude by discussing means of managing control and collaboration, highlighting the implications for corporate governance. **Margarethe Wiersema (1992)** This study examined the relationship between the demography of top management teams and corporate strategic change, measured as absolute change in diversification level, within a sample of Fortune 500 companies. Controlling for prior firm performance, organisational size, top team size, and industry structure, we found that the firms most likely to undergo changes in corporate strategy had top management teams characterised by lower average age, shorter organisational tenure, higher team tenure, higher educational level, higher educational specialisation heterogeneity, and higher academic training in the sciences than other teams. The results suggest that top



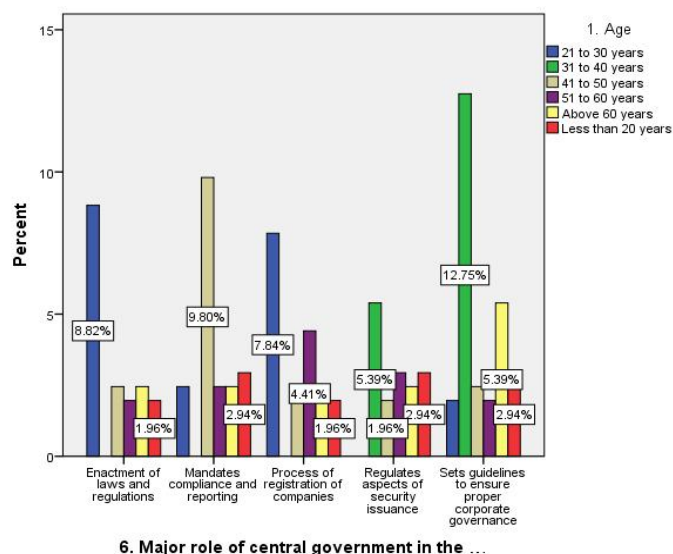
managers' cognitive perspectives, as reflected in a team's demographic characteristics, are linked to the team's propensity to change corporate strategy. **Frank M.Bass (1978)** The Federal Trade Commission's recent public policy emphasis has been on antitrust action to break up firms in certain industries. The basis for such action is often the market structure-profitability paradigm. The authors review the framework and empirical results of studies based on the paradigm, identify and demonstrate shortcomings of research in this area, propose and test a more appealing model, and conclude that the FTC cannot properly rely on findings produced by this research stream for the direction of public policy efforts.

### III. METHODOLOGY

The research method followed is descriptive research. The data is collected through questionnaires and the sample size is 204. Convenience sampling method is adopted in the study to collect the data. The samples were collected from the general public in the premises of Chennai. The independent variables are gender, age, educational qualification, occupation and locality of the respondents. The dependent variables are the positive impact of government schemes and regulations in proper governance of companies, limitations of power of central government over the governance of companies, ways to increase the effectiveness of the central government's role and power over the governance of companies and the major role of central government in the governance of companies. The statistical tools used here are questionnaires, complex graphs and chi square tables.

### IV. ANALYSIS

FIGURE 1



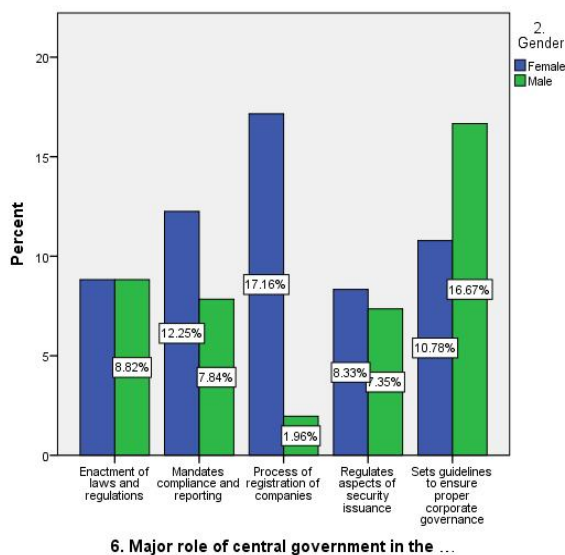
### LEGEND

FIGURE 1 shows the graphical representation by the opinions of respondents of different age groups about the major role of the central government in the governance of companies.





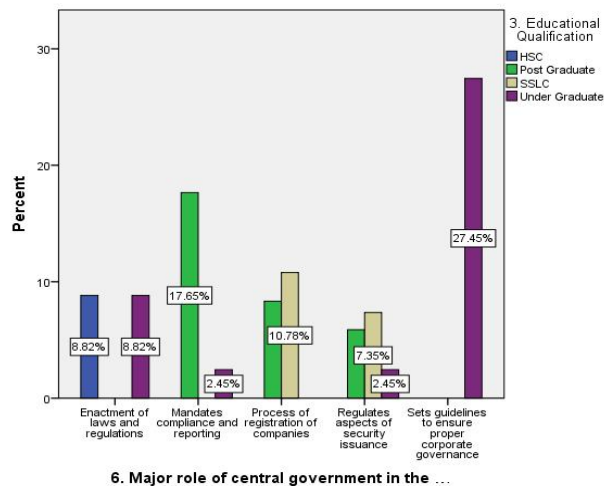
**FIGURE 2**



**LEGEND**

**FIGURE 2** shows the graphical representation by the opinions of respondents of different genders about the major role of the central government in the governance of companies.

**FIGURE 3**

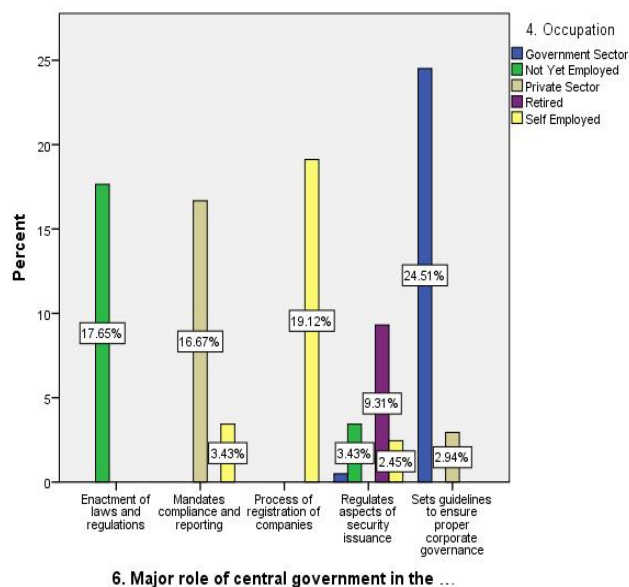


**LEGEND**

**FIGURE 3** shows the graphical representation by the opinions of respondents of different educational qualifications about the major role of the central government in the governance of companies.



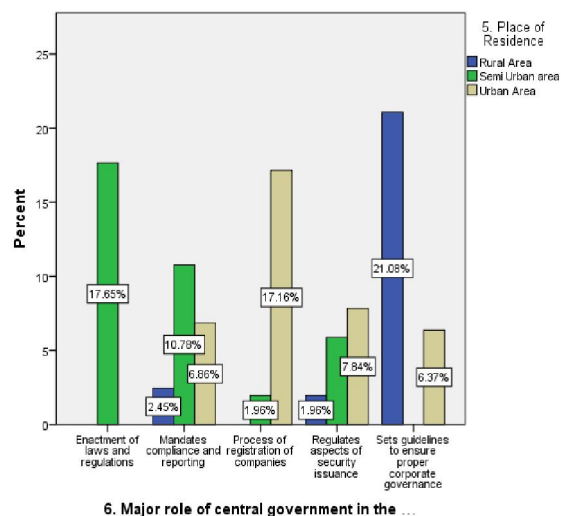
**FIGURE 4**



**LEGEND**

**FIGURE 4** shows the graphical representation by the opinions of respondents of different occupations about the major role of the central government in the governance of companies.

**FIGURE 5**

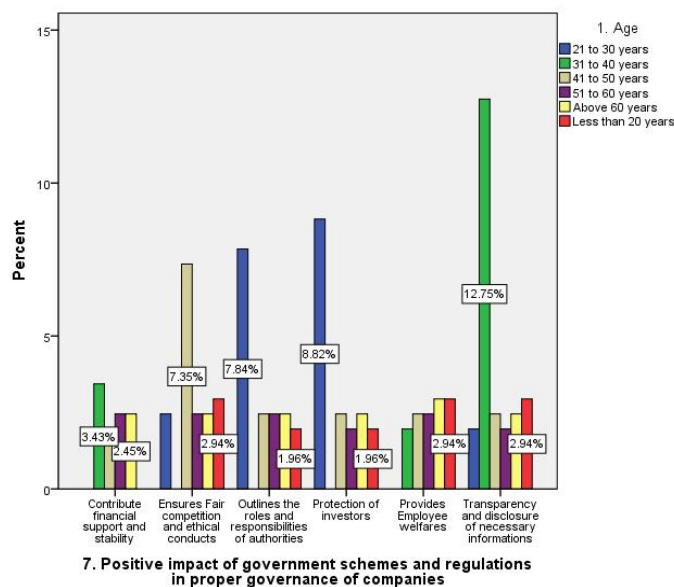


**LEGEND**

**FIGURE 5** shows the graphical representation by the opinions of respondents of different places of residence about the major role of the central government in the governance of companies.



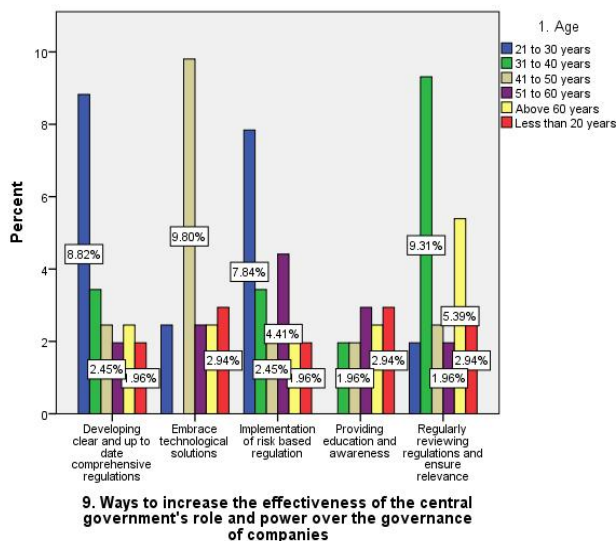
**FIGURE 6**



**LEGEND**

**FIGURE 6** depicts the graph by opinions of respondents of different age groups about the ways to increase the effectiveness of the central government's role and power over the governance of companies.

**FIGURE 7**



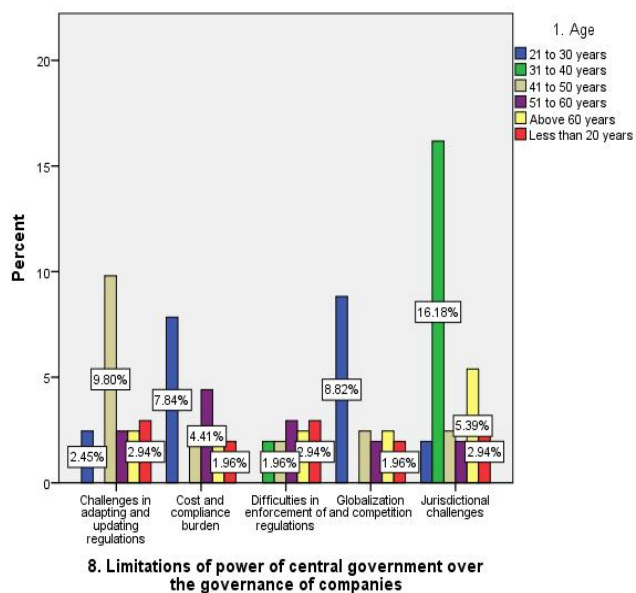
**LEGEND**

**FIGURE 7** depicts the graph by opinions of respondents of different age groups about the ways to increase the effectiveness of the central government's role and power over the governance of companies.





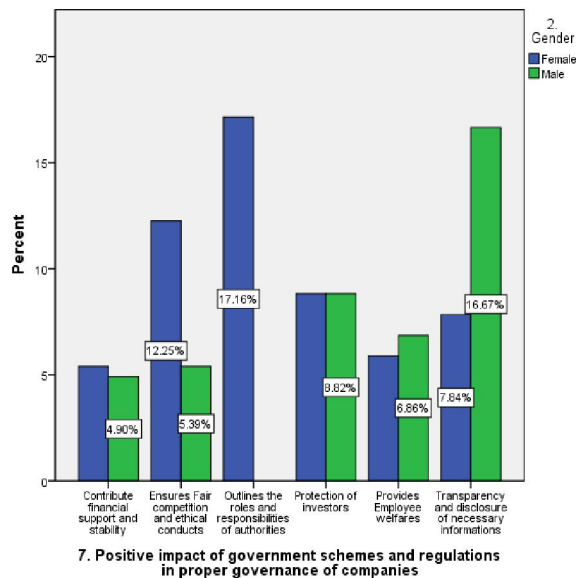
**FIGURE 8**



**LEGEND**

**FIGURE 8** shows the graph by opinion of respondents of different age groups about the limitations of power of the central government over the governance of companies.

**FIGURE 9**

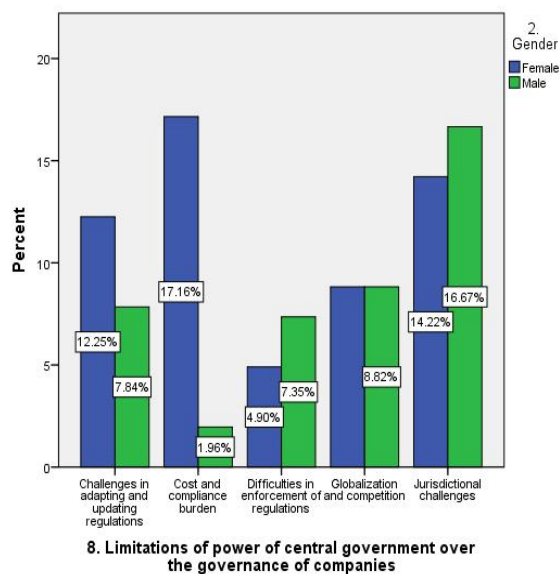


**LEGEND**

**FIGURE 9** shows the graph of opinions of respondents of different genders about the positive impacts of government schemes and regulations in proper governance of companies.



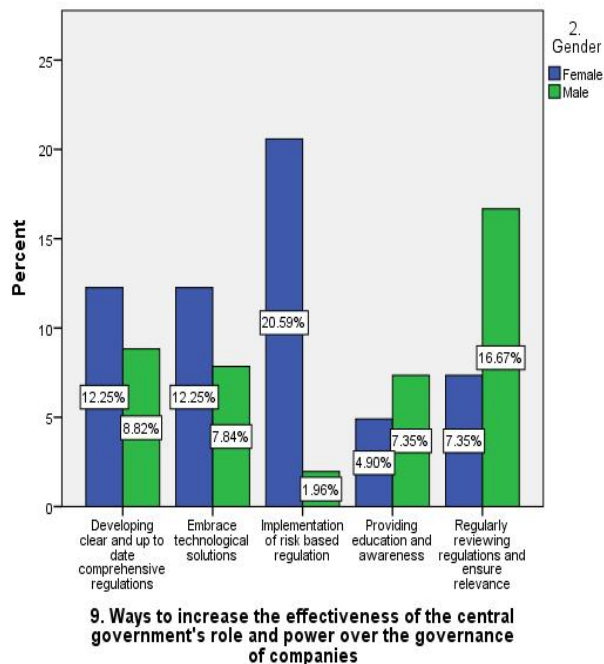
**FIGURE 10**



**LEGEND**

**FIGURE 10** shows the graph by opinion of respondents of different gender about the limitations of power of the central government over the governance of companies.

**FIGURE 11**



**LEGEND**

**FIGURE 11** shows the graphical expression of opinions given by respondents of different gender ways to increase the effectiveness of the central government's role and power over the governance of companies.



## V. RESULTS

From **Figure 1** it is clear that 12.75% of respondents from the age group 31 to 40 years have opted that the central government sets guidelines to ensure proper corporate governance. From **Figure 2** it is clear that 17.16% of female respondents have opted that the major role of the central government is that it guides the process of registration of companies. From **Figure 3** it is clear that 27.45% of UG respondents have opted that the major role of the central government is that it sets guidelines to ensure proper corporate governance. From **Figure 4** it is clear that 9.31% of retired respondents have opted that the major role of the central government is that it regulates aspects of security issuance in companies. From **Figure 5** it is clear that 21.08% of respondents living in rural areas have opted that the major role of the central government is to set guidelines to ensure proper corporate governance. From **Figure 6** it is clear that 12.75% of respondents from the age group 31 to 40 years have stated that the positive impact of government schemes and regulations are such that the transparency and disclosure of necessary information. From **Figure 7** it is clear that 9.80% of respondents of the age group 41 to 50 years have stated that embracing technological solutions can be an effective way in increasing the role of the central government in governing companies. From **Figure 8** it is clear that 16.18% of respondents from the age group 31 to 40 years have stated that jurisdictional challenges are the major limitation of the power of the central government over the governance of companies. From **Figure 9** it is clear that 17.16% of female respondents have stated that the positive impact of government schemes and regulations are such that it outlines the roles and responsibilities of authorities. From **Figure 10** it is clear that 7.84% of male respondents have stated that challenges in adapting and updating regulations are the major limitation of the power of the central government over the governance of companies. From **Figure 11** it is clear that 8.82% of male respondents have stated that developing clear and up to date comprehensive regulations can be an effective way in increasing the role of the central government in governing companies.

## VI. DISCUSSION

From **Figure 1** it is clear that 12.75% of respondents from the age group 31 to 40 years have opted that the central government sets guidelines to ensure proper corporate governance. This might be because they recognize the crucial role of government in establishing a regulatory framework that promotes transparency, accountability, and ethical behaviour within the corporate sector. By setting guidelines, the central government can help prevent corporate misconduct, protect the interests of stakeholders, and maintain the overall health of the business environment. This regulatory oversight is seen as essential for fostering trust in the corporate world and supporting sustainable economic growth. From **Figure 2** it is clear that 17.16% of female respondents have opted that the major role of the central government is that it guides the process of registration of companies. This might be because this guidance ensures that companies are established following legal and regulatory requirements, which can include matters related to taxation, compliance, and corporate governance. From **Figure 3** it is clear that 27.45% of UG respondents have opted that the major role of the central government is that it sets guidelines to ensure proper corporate governance. This might be because guidelines set by the central government can protect the interests of shareholders and investors, ensuring they receive accurate information and fair treatment from companies. From **Figure 4** it is clear that 9.31% of retired respondents have opted that the major role of the central government is that it regulates aspects of security issuance in companies. This might be because this regulation ensures that companies adhere to specific standards and disclosure requirements when issuing securities, such as stocks and bonds. By doing so, the government aims to prevent fraud, promote transparency, and maintain confidence in the financial system. These measures are essential for the proper functioning of capital markets and the overall stability of the economy. From **Figure 5** it is clear that 21.08% of respondents living in rural areas have opted that the major role of the central government is to set guidelines to ensure proper corporate governance. This might be because it aims to establish a framework of rules and standards that foster ethical conduct, accountability, and fairness within the corporate sector. This helps protect the interests of stakeholders such as investors, employees, and the public while promoting economic stability and growth. By providing clear guidelines, the central government can create a level playing field for businesses, mitigate risks associated with corporate misconduct, and contribute to a more transparent and well-functioning business environment. From **Figure 6** it is clear that 12.75% of respondents from the age group 31 to 40 years have stated that the positive impact of



government schemes and regulations are such that the transparency and disclosure of necessary information. This might be because such schemes and regulations often mandate companies to provide comprehensive and accurate information about their operations, financials, and compliance with regulatory standards. By doing so, they promote transparency, which in turn helps investors, consumers, and the public make informed decisions, fosters trust in the business environment, and ultimately strengthens the government's ability to oversee and regulate companies effectively. From **Figure 7** it is clear that 9.80% of respondents of the age group 41 to 50 years have stated that embracing technological solutions can be an effective way in increasing the role of the central government in governing companies. This might be because they believe that technology can improve transparency, efficiency, and accountability in regulatory processes. Additionally, individuals in this age group might have experienced or witnessed the transformative impact of technology in various sectors, leading them to view it as a viable means to strengthen government oversight and influence in the corporate world. From **Figure 8** it is clear that 16.18% of respondents from the age group 31 to 40 years have stated that jurisdictional challenges are the major limitation of the power of the central government over the governance of companies. This might be because companies often operate across different regions or states, each with its own regulatory framework and authorities. These jurisdictional complexities can create inconsistencies, overlaps, and conflicts in regulations and enforcement, making it difficult for the central government to exert a unified and effective influence over companies operating in diverse geographical areas. From **Figure 9** it is clear that 17.16% of female respondents have stated that the positive impact of government schemes and regulations are such that it outlines the roles and responsibilities of authorities. This might be because such schemes and regulations provide clear guidelines and expectations for both government agencies and businesses, reducing ambiguity and promoting better coordination and compliance. By defining roles and responsibilities, they can enhance transparency, accountability, and the overall effectiveness of governance in various sectors. From **Figure 10** it is clear that 7.84% of male respondents have stated that challenges in adapting and updating regulations are the major limitation of the power of the central government over the governance of companies. This might be because they believe that cumbersome bureaucratic processes, resistance from industry stakeholders, or a lack of resources hinder the government's ability to effectively modify regulations to address evolving business needs and changing market dynamics, thus limiting its influence. From **Figure 11** it is clear that 8.82% of male respondents have stated that developing clear and up to date comprehensive regulations can be an effective way in increasing the role of the central government in governing companies. This might be because they perceive such regulations as a means to enhance transparency, accountability, and consistency in business operations, ultimately strengthening the government's oversight and control over companies.

## LIMITATIONS

The limitation of this study is that it is one time research conducted over a short period of time. Another limitation is that the research data collected was from a small size population of 200 samples. The data collected may not be completely accurate. However the responses were collected from people who have good awareness about this matter.

## SUGGESTIONS

Ensuring that company laws and regulations are clear, up-to-date, and in line with international best practices. Regularly review and amend them to address emerging issues. Empowering Regulatory authorities with the necessary resources, expertise, and independence to enforce company laws effectively. Promoting transparency in corporate governance through mandatory disclosure requirements. Hold companies accountable for accurate and timely reporting. Encouraging companies to fulfil their CSR obligations, contributing to societal welfare and sustainable development. Implementing digital systems for company registration, compliance monitoring, and reporting to streamline processes and reduce administrative burdens. Promoting shareholder activism and engagement to ensure that companies act in the best interests of shareholders. Investing in programs to educate business owners, directors, and employees about their legal responsibilities and corporate governance principles. Strengthening the auditing standards and oversight of auditing firms to enhance the accuracy and reliability of financial statements. Collaborating with international organisations and other governments to combat cross-border corporate misconduct and ensure consistent standards. Implementing safeguards to protect the rights of minority shareholders and prevent abusive actions by



majority shareholders or management are some suggestive ways to increase the effectiveness of role of central government in governing companies.

## VII. CONCLUSION

Company Law, primarily governed by the Companies Act, 2013, outlines the legal framework for the establishment, functioning, and regulation of companies in India. Here's an introduction to the central government's role in this context. The Companies Act, 2013, empowers the central government, as well as relevant regulatory authorities such as the Ministry of Corporate Affairs (MCA), to oversee and regulate various aspects of corporate governance and management. The central government plays a crucial role in formulating and amending company laws and regulations. It periodically updates these laws to align with changing business environments, global standards, and economic requirements. It is responsible for the incorporation and registration of companies, ensuring that they meet the statutory requirements and are compliant with the law. This includes approving company names and issuing incorporation certificates. The government monitors the compliance of companies with statutory obligations. It oversees financial reporting, corporate disclosures, and adherence to corporate governance norms. The central government promotes good corporate governance practices by mandating the appointment of independent directors, ensuring board accountability, and requiring transparency in financial reporting. It takes steps to safeguard the interests of shareholders and other stakeholders by enforcing rules related to fraud prevention, insider trading, and shareholder rights. The government regulates mergers, acquisitions, and takeovers of companies to prevent unfair practices and protect shareholders' interests. The central government encourages responsible business practices, sustainability, and corporate social responsibility (CSR) initiatives through legal mandates. It provides mechanisms for resolving disputes through forums like the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). Certainly, in the context of Indian Company Law, resolving disputes is a crucial aspect, and the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) are key forums established for this purpose. The National Company Law Tribunal (NCLT) is a quasi-judicial body established under the Companies Act, 2013, to handle various company law matters and disputes. It has jurisdiction over a wide range of cases, including those related to mergers and acquisitions, insolvency and bankruptcy, oppression and mismanagement, and class action suits. NCLT is responsible for approving schemes of arrangement, mergers, and amalgamations under the Companies Act. It provides a forum for creditors and stakeholders to initiate insolvency proceedings against defaulting companies under the Insolvency and Bankruptcy Code, 2016 (IBC). NCLT benches are located in major cities across India to ensure accessibility.

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