

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 5587
ANSWERED ON FRIDAY, APRIL 7TH, 2017/
CHAITRA 17, 1939 (SAKA)**

AMENDMENTS IN COMPANY LAW

QUESTION

5587. SHRI NARANBHAI KACHHADIYA:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

(a) whether the Government has paid attention towards the common tendency of announcing less dividend per share in comparison to their earnings by the companies including those having substantial Government share holding, which affects the interests of the shareholders and if so, the details thereof;

(b) whether the Government is considering to make appropriate changes in the Company Law for the solution to this problem; and

(c) if so, the time by which the said changes are likely to be made by the Government?

THE MINISTER OF STATE

(SHRI ARJUN RAM MEGHWAL)

IN THE MINISTRY OF CORPORATE AFFAIRS

(श्री अर्जुन राम मेघवाल)

कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(a):- Declaration of dividend by a company is regulated under section 123 of the Companies Act, 2013 and the Rules thereunder. As per these statutory requirements, the company has the powers to appropriate profits for declaration and payment of dividend to the shareholders subject to the restrictions imposed under the section and keeping in view its requirements. These restrictions impose a limit on the amount that a company may distribute as a dividend. These limits are considered as reasonable/adequate.

(b) and (c):- No, Madam.
