

**GOVERNMENT OF INDIA  
LAW , JUSTICE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1999  
ANSWERED ON:29.11.2001  
FAILURE OF COMPANY TO PAY DIVIDEND TO THEIR SHAREHOLDERS  
NARESH KUMAR PUGLIA

**Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether the Government are aware of the fact that almost 80 per cent of profit making companies in the country do not pay any dividend to their shareholders;
- (b) if so, the details thereof;
- (c) the reaction of the Government thereto;
- (d) whether any measures are proposed to be taken by the Government to ensure that at least profit making companies pay dividend to their shareholders; and
- (e) if so, the details thereof and if not, the reason therefor?

**Answer**

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS ( SHRI ARUN JAITLEY )

(a) to e): If any company fails to pay dividend after its declaration, the company and its directors can be prosecuted under section 205A and 207 of the Companies Act, 1956 by the Department of Company Affairs, when it comes to the Department's notice.