

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:167
ANSWERED ON:12.12.2003
DIVIDENDS DRAWN BY FOREIGN INSTITUTIONAL INVESTORS
NAWAL KISHORE RAI

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Foreign Institutional Investors are earning dividends upto 13% on the investments made by them in the country;
- (b) Whether these Institutional Investors are allowed to draw the dividends out of the country;
- (c) if so, the average dividend drawn by these institutions during the last three years; and
- (d) the names of five countries which top the list in the matter of earning dividends from the country?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) to (d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c) & (d) OF LOK SABHA STARRED QUESTION 167 FOR 12TH DECEMBER, 2003 REGARDING DIVIDENDS DRAWN BY FOREIGN INSTITUTIONAL INVESTORS.

(a) to (d): Foreign Institutional Investors (FIIs) registered with SEBI are permitted to repatriate dividends/earnings as well as capital gains subject to applicable tax provisions.

Dividends are declared by Indian companies in conformity with law and based on their commercial considerations. It is not possible to quantify the average dividends earned by FIIs as these are declared by individual companies for all shareholders on a pari passu basis. Further, FIIs typically invest in a basket of shares and SEBI does not maintain record of dividends earned by individual investors.