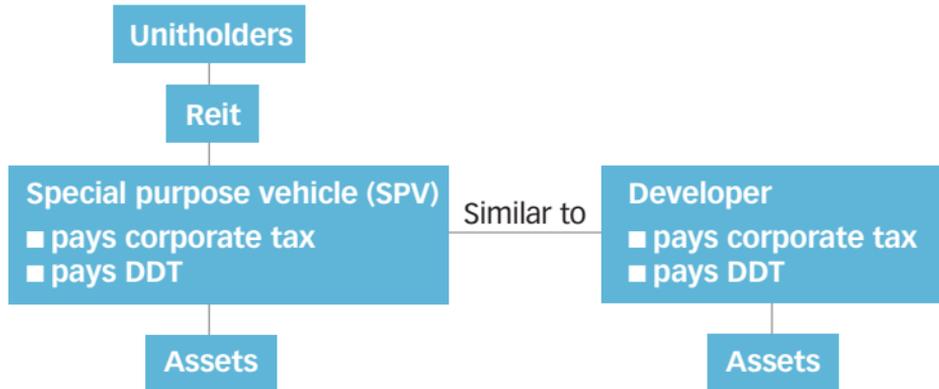


Dividend Distribution Tax (DDT) exemption

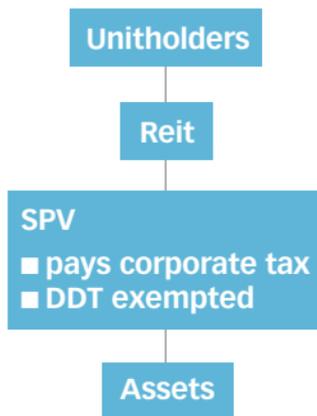
1. Existing regime in India:



2. Problems

- Makes the Reit structure tax inefficient
- Impacts the rate of return for investors
- Effective tax rate on Reits is the same as other listed real estate companies, which is a disincentive, given that Reits are required to pay out at least 90% of their income as dividends

3. New regime w.e.f. June 2016:



This also makes it more logical for developers to want to spin off their real estate into Reits.