



NIIF partners with HDFC in an investment platform for mid-income and affordable housing in India

Mumbai, October 16, 2018: The National Investment and Infrastructure Fund (NIIF) of India is pleased to announce an investment of INR 660 crore in HDFC Capital Affordable Real Estate – 2 (H-CARE 2), an investment platform, managed by HDFC Capital Advisors, a wholly owned subsidiary of HDFC Ltd.

The agreement, which marks the second investment for NIIF's Fund of Funds, will see NIIF join a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA) as an investor in H-CARE 2.

NIIF's investment in H-CARE 2 demonstrates the role that NIIF's Fund of Funds can play in the infrastructure and associated sectors in India by anchoring and investing with fund managers with strong track record.

H-CARE 2 is structured as a Category II Alternative Investment Fund with a corpus of INR 4,290 crore. The Fund provides mezzanine finance to developers of mid-income and affordable urban housing projects.

Sujoy Bose, MD & CEO, NIIF, said: "Housing remains a critical need in India and the demand for housing is expected to grow substantially with increased urbanization. This demand, in conjunction with reforms implemented in the sector creates an attractive investment opportunity for disciplined developers and knowledgeable investors. NIIF is excited to partner with HDFC to invest into this sizable opportunity. This investment enables investors in the NIIF Fund of Funds to participate in the attractive mid income and affordable housing sector in India".

Deepak Parekh, Chairman, HDFC Ltd said, "H-CARE 2 now has a wider platform targeting affordable and mid-income residential projects in India and will play a significant role in progressing towards the government's flagship programme, 'Housing for All by 2022'. Our partnership with NIIF is also a recognition that housing is a catalyst for GDP growth. The current lack of flexible, long-term capital is one of the key challenges facing developers of affordable and mid income housing in India. This Fund will help address the demand-supply gap in affordable housing and will ensure that flexible financing is provided to quality developers".

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For further details on NIIF contact –

Adfactors PR

Anita Bhoir

Senior Account Director

Mobile Number - 9930390055

Email id: anit'a.bhoir@adfactorspr.com;

Pranjal Arekar

Mobile Number - 9920920979

Email id: pranjal.arekar@adfactorspr.com;

About NIIF

NIIF is a fund manager that seeks to create long-term value for domestic and international investors seeking to invest in energy, transportation, urban infrastructure and other infrastructure-related sectors in India. NIIF, an institution anchored by the Government of India, is a collaborative investment platform for international and Indian investors. To learn more about NIIF, visit www.niifindia.in.

About HDFC Capital Advisors Limited

HDFC Capital Advisors Limited, a 100% subsidiary of HDFC Ltd, provides investment management services for real estate private equity financing and is one of the largest fund managers in the country. The company is the investment manager to HDFC Capital Affordable Real Estate Fund 1 (H-CARE 1) and HDFC Capital Affordable Real Estate Fund 2 (H-CARE 2), both SEBI registered Category II Alternative Investment Funds.

H-CARE 1 and H-CARE 2 combine to create a US\$1.1 billion platform targeting affordable and mid-income residential projects in India's leading 20 cities. The primary objective of this platform, is to provide long term, equity and mezzanine capital to marquee developers at the land and pre-approval stage for the development of affordable and mid-income housing in India. HDFC Capital Advisors, along with HDFC Ltd, can provide financing solutions across the capital stack in real estate including long term equity (H-CARE 1), mezzanine debt (H-CARE 2) and construction financing (HDFC Ltd)

About HDFC Ltd

Housing Development Finance Corporation Ltd (HDFC), the pioneer of retail housing finance in India has assisted over 65 lakh families to own their house. HDFC's strength has been its value-added services, delivered through a specialist team of trained and experienced professionals. HDFC has consistently had an impeccable record of customer friendly services.

HDFC has been described as a model housing finance company providing technical assistance and consultancy assignments for developing countries across Asia, Africa and East Europe. HDFC's average loan is around Rs 26.7 lakh and has been catering to affordable housing segment. HDFC has been awarded amongst the top performing institutions under the Credit Linked Subsidy Scheme – Pradhan Mantri Awas Yojana (Urban) in 2017. HDFC was also awarded the best performing primary lending institution in the EWS (Economically Weaker Section) and LIG (Low Income Group) category by the honorable Prime Minister Shri. Narendra Modi and second best in the Middle Income Group (MIG) category in 2018.