

ARVIND SMARTSPACES & HDFC CAPITAL SET UP A Rs. 250 CRORES AFFORDABLE & MID-INCOME HOUSING PLATFORM

Ahmedabad - 10th October, 2019: Arvind SmartSpaces Limited ("ASL"), a part of the Lalbhai group, headquartered in Ahmedabad, one of India's leading Real Estate development Company, announced that it has entered into a strategic partnership with HDFC Capital Affordable Real Estate Fund 1 (H-CARE 1) – a fund managed by HDFC Capital Advisors Limited, a wholly owned subsidiary of HDFC Ltd. The partnership will focus on the development of affordable and mid-income housing projects in India while ensuring quality and timely delivery of finished units. The proposed developments will be undertaken by a special purpose vehicle "Arvind Homes Private Limited" set up with an initial investment of Rs. 250 crores.

Ms. Renu Sud Karnad, Managing Director, HDFC Ltd, said "Housing remains a crucial need in India and the demand for affordable housing is expected to grow substantially with increased urbanisation. HDFC's endeavour is to help address the demand-supply gap in affordable housing in India by providing flexible, long-term capital to leading developers across India. We are committed to partnering with developers like Arvind SmartSpaces who are aligned with our vision and values."

Mr. Vipul Roongta, MD & CEO of HDFC Capital Advisors Limited added "Our partnership with Arvind SmartSpaces will focus on the development of high quality affordable and mid income housing in a cost-effective manner. This in line with HDFC Capital's strategy of partnering with top rated developers with a good track record of development and delivery and a long-term view of affordable housing."

Commenting on the strategic alliance, Mr. Sanjay Lalbhai Chairman Arvind SmartSpaces said "We are delighted to have this partnership which will help us boost growth and investments in new projects. We are confident that this joining of hands between the two most trusted names in Indian businesses will create long term value for all the stake holders. The fresh long term funds being invested by HDFC Capital and Arvind bring in orbital change in the scale of operations and the new project pipe line of the company. It will also help us continue to build and consolidate on the legacy of trust and excellence that we are known for."

Mr. Kamal Singal, Managing Director and CEO of Arvind SmartSpaces added "The proposed structure not only de-bottlenecks capitalization at the Company, it also has enough flexibility inbuilt to ensure that long-term patient capital is made available to the business without putting undue pressures on its balance-sheet to take care of short and medium business cycles".

About Arvind SmartSpaces:

Built on 80 years old legacy of Lalbhai Group and established in year 2008, Arvind SmartSpaces is one of India's leading real estate development company headquartered in Ahmedabad. With approximately 7 million square feet of real estate development across the country, the company is focused on delivering real estate solutions that add value to the lives of its customers and is fast emerging as a leading corporate real estate player in the country. The company has real estate developments across Ahmedabad, Gandhinagar, Bangalore and Pune. Backed by the strong brand name of Arvind and the credibility achieved through already delivered projects, the company has aggressive plans to expand and grow further.



About HDFC Ltd:

Housing Development Finance Corporation Ltd (HDFC), the pioneer of retail housing finance in India has assisted over 72 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 home loan size is Rs 27.8 lakh. HDFC is the first institution to cross one lakh beneficiaries under the Pradhan Mantri Awas Yojana's (Urban) Credit Linked Subsidy Scheme.

About HDFC Capital Advisors:

HDFC Capital Advisors Limited, a 100% subsidiary of HDFC Limited, 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. The primary investors in the H-CARE funds include a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA) and the National Investment and Infrastructure Fund (NIIF).

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. Currently, approximately US\$ 1 billion of investments is committed with leading developers across India in the affordable and mid-income housing space.

HDFC Capital Advisors Limited has recently launched the HDFC Affordable Real Estate and Technology Program (H@ART). H@ART seeks to mentor, partner and invest in real estate technology companies that drive innovation and efficiencies within the affordable housing ecosystem.

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