

Mahindra Lifespaces and HDFC Capital Affordable Real Estate Fund-1 (HDFC Capital) announce a joint venture to develop affordable housing projects in India

~ Investment commitment of Rs 500 crores over three years

~ To expand the Happinest footprint across key cities and address the needs of the emerging middle class

Mumbai, October 18, 2017: Mahindra Lifespace Developers Ltd. (MLDL), the real estate and infrastructure development arm of the Mahindra Group, has partnered with HDFC Capital Affordable Real Estate Fund-1 (HDFC Capital) – a fund managed by HDFC Capital Advisors Ltd, a wholly owned subsidiary of HDFC Ltd, to form a Platform focused on the development of affordable housing projects in India. The Platform will look to rapidly scale up in order to address the demand-supply gap in affordable housing in India, with an estimated development footprint of between 5 to 10 million square feet, depending on the locations selected for its projects, under the Happinest name.

The proposed developments will be undertaken through 'Mahindra Happinest Developers Limited' (MHDL), with a 51:49 equity share between MLDL and HDFC Capital. The first development to be undertaken by the joint platform will be 'Happinest, Palghar', expected to be launched in the H2 of FY18.

MLDL has been present in the affordable housing segment since 2014, through its category brand, Happinest. Over 1,600 units have been launched across the Company's ongoing affordable housing projects in Chennai (Happinest, Avadi) and MMR (Happinest, Boisar), with close to 1,000 homes already handed over till date. Its products are currently priced between Rs 17 lakh – Rs 27 lakh, and offer strategic connectivity and vibrant community living options. In keeping with MLDL's focus on sustainable urban development that is resource-conscious and sensitive to the needs of the environment, each Happinest project is certified by the Indian Green Building Council (IGBC), and utilises environment-friendly and energy-efficient materials and technologies to enable balanced and healthy living. Happinest, Avadi has been conferred India's first IGBC 'Platinum' certification for Green Affordable Housing.

Happinest leverages innovative technologies and value engineering approaches to ensure quality and timely construction in a cost-effective manner. MLDL has also focused on creating an ecosystem for access to home finance for its customers in the segment; this includes partnerships with NBFCs that survey the financial capability of prospective customers, and accordingly approve home loans.

Anita Arjundas, Managing Director, MLDL, said, "Affordable housing is a critical component of quality urban infrastructure as also a growth driver for the real estate industry in India. We are delighted to partner with HDFC Capital in a venture that will leverage the experience and commitment of each organisation, to develop affordable homes that will create sustainable value for our customers, while also addressing the largely unmet demand in this segment.

Vipul Roongta, CEO, HDFC Capital Advisors Ltd, said "The objective of this Platform is to invest in residential affordable housing projects by providing long-term equity. Lack of patient long-term capital is one of the key challenges facing growth and development of low and middle-income housing in India. HDFC Capital's first fund is dedicated to addressing this funding gap by providing long-term equity-oriented capital for development in urban and semi urban peripheral areas. With the affordable housing segment expected to see healthy growth going forward given the impetus provided by the government through various incentives and subventions, this Platform with MLDL is the need of the hour."

About HDFC Capital Advisors Limited

HDFC Capital Advisors Limited, a wholly owned subsidiary of Housing Development Finance Corporation Ltd, provides investment advisory services for real estate private equity financing. The company is the investment manager to HDFC Capital Affordable Real Estate Fund 1 (H-CARE 1) which is registered with SEBI as a Category II Alternative Investment Fund. H-CARE 1 has a corpus of INR 2,700 crore from global



investors. The primary objective of H-CARE 1 is to provide long-term, equity oriented capital for the development of middle income and affordable housing in India.

HDFC Ltd:

Housing Development Finance Corporation Ltd (HDFC), the pioneer of retail housing finance in India has assisted over 59 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 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.

Visit www.hdfc.com for more on HDFC Ltd

About Mahindra Lifespace Developers Ltd.

Established in 1994, Mahindra Lifespace Developers Ltd. is the real estate and infrastructure development business of the USD 19 billion Mahindra Group, and a pioneer of sustainable urbanisation in India. The Company is committed to transforming India's urban landscape through its residential developments under the 'Mahindra Lifespaces' and 'Happinest' brands; and through its integrated cities and industrial clusters under the 'Mahindra World City' brand.

Mahindra Lifespaces delivers innovative customer-focused solutions that are rooted in a legacy of trust and transparency. The Company's development footprint spans 22.85 million sq. ft. (2.12 million sq. m.) of completed, ongoing and forthcoming residential projects across seven Indian cities; and over 4960 acres of ongoing and forthcoming projects under development/management at its integrated developments in four cities. A pioneer of the green homes movement in India, Mahindra Lifespaces has been ranked 4th in Asia in its category, in the '2017 GRESB Real Estate ESG (Environmental, Social and Governance) Assessment'. The Company has also been ranked among the top 50 great mid-size workplaces in India – 2017, by the Great Places To Work Institute.

Learn more about Mahindra Lifespaces at www.mahindralifespaces.com

About Mahindra

The Mahindra Group is a USD 19 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 200,000 people across 100 countries.

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