

 Early Warning System

IFC-47649

DFP DREAM Fund



Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	HDFC Capital Advisors Limited
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 1,000.00 million



Project Description

According to the Bank's website, the proposed project entails an IFC investment of up to US\$ 150 million in HDFC Capital Development of Real Estate Affordable and Mid-Income Fund – 1 by HDFC Capital AIF – 4 ("H-DREAM Fund"), an innovative fund focused on investing in senior, secured green loans and other debt instruments issued by developers of for-sale, green residential real estate. The H-DREAM Fund will have a target corpus of US\$ 1 billion (US\$ 500 million with a green shoe of US\$ 500 million) and will be managed by the real estate private equity arm of HDFC Group, HDFC Capital Advisors Limited (HDFC Capital). The H-DREAM Fund will be established as a SEBI Category II Alternate Investment Fund ("AIF"). The residential housing projects financed by the H-DREAM Fund will adhere to the IFC Excellence in Design for Greater Efficiencies ("EDGE") green building framework and will be focused on the affordable and mid-income housing segments in Tier 1 and Tier 2 cities across India.



Early Warning System Project Analysis

The Fund will provide debt financing to developers of affordable and mid-income residential real estate projects in India. The Fund will not invest in any higher risk activities that may include involuntary resettlement, risk of adverse impacts on indigenous peoples, significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, risk of significant retrenchment or significant occupational health and safety risks. The Fund will also not invest in activities on IFC Exclusion List, coal related projects, and any slum-rehabilitation projects. The main E&S risks and potential impacts of the project relate to the ability of the Fund's Investment Manager to i) assess E&S risks associated with its financing/ investments, ii) cascade the requirements for managing these risks at the investee/borrower company's level, and iii) monitor their implementation. Overall, the E&S risk of the proposed investment is medium, and the project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.



Investment Description

- International Finance Corporation (IFC)

The Fund will have a target corpus of US\$ 1 billion (US\$ 500 million with a green shoe of US\$ 500 million) with HDFC Capital commitment of up to US\$ 50 million (5% of fund size). IFC's investment will comprise the lower of US\$ 150 million or up to 20% of the capital raised.



Private Actors Description

The Fund Manager - HDFC Capital, is the real estate private equity arm of the HDFC Group, focused on providing private capital to developers of residential real estate in India. HDFC Capital has deep experience in real estate investment and has raised in excess of US\$ 3.2 billion through four real estate funds.

HDFC Capital is owned by HDFC Bank (90.0%) and Abu Dhabi Investment Authority (10.0%). HDFC Bank is the largest private sector bank and second largest bank in India with a consolidated asset base of US\$ 483 billion as of June 30th, 2024. Abu Dhabi Investment Authority is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	HDFC Capital Advisors Limited	Client	-



Contact Information

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>