



## *Initiatives of Magma Housing Finance to incorporate and promote green building/ sustainable habitat*

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# Issues that are material to Financial Services

External	Internal
Financial Inclusion	Risk Appetite
Financing the Low carbon Growth	Customer & Employee Engagement
Fair Lending	Green offices
Investing in Communities	Internal Stakeholders Alignment

# Potential Drivers – Energy Efficiencies in Green Buildings

**Accelerated  
growth –  
Urban & Rural**



**Push for  
increased  
infrastructure  
investments**



**Increase in Credit  
Flow**



**Policy and  
administrative  
support**



**Accelerated growth –  
Urban & Rural both**



**Provide Sustainable sites**

**Public transport access**

**On-Site Renewable energy**

<sup>1</sup> FSI: Floor Space Index



**Push for increased  
infrastructure  
investments**

**Solar panels & Boilers mandated;  
Gujarat v/s Haryana - inspection**

**Storage & Collection of recyclables  
: supply and mandate**

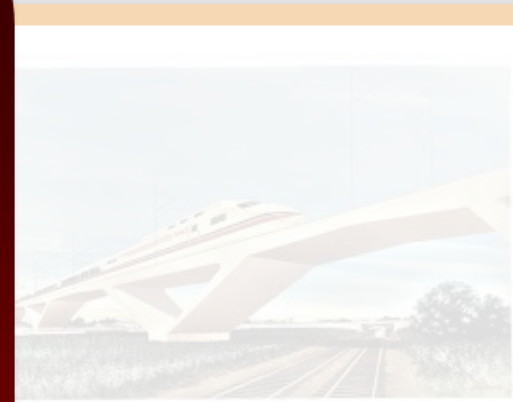
**Design Innovation centres –  
Landscaping, ventilation, Aircons;  
rain-water harvesting**



**Policy benefits : More FSI, Cost of approvals, Subsidised land; PPP;**

**Adoption of independent project rating standards - GRIHA**

**Initial benefits of green equipment for builder, then passed onto customers; even for Retro fittings on existing**



**Policy and administrative support**





**Easier & Cheaper Funding Lines;  
NHB refinance : Corporate & Retail**

**Funding of Eco A/Cs, other green  
equipment; Retro Fits etc.**

**Lower Interest rates & Additional LTV  
to cover higher costs**

**Increase in Credit  
Flow**



**Affordability and accessibility**

**LAND ALLOCATION & COST ; QUICKER APPROVALS**

**Civic infrastructure and connectivity**

**SPONSORED SOCIAL INFRA & CONNECTIVITY**

**Consumer protection and Transparency**

**DISINCENTIVES FOR NON COMPLIANCE**

**Assurance of build quality and delivery standards**

**ESTABLISH STANDARDS FOR GREEN HOMES**

**Title clarity and legal protection**

**GOVT. BENEFITS - LOWER PROP. TAX / REGN. CHARGES**





# The Green Road Map

## Energy Efficiencies in Buildings

### What

1 **Awareness and Access to green approach**

2 **Recognition & Tangible Benefits**

3 **Operational Cost reduction**

4 **Customer must see Value**

### How

GBC scope to expand; More awareness by TERI etc.; Schemes for retro Projects and individual homes

Special Approvals, Lower property tax, Assessment & Knowledge building

Low cost funds, Design support, Better FSI, CF Lines for Green buildings

Lower running cost; Better mortgage access and LTVs



<b>GRIHA Approach</b>	<b>Builder</b>	<b>Client</b>	<b>F.I.'s</b>	<b>Regulator</b>
<b>Landscape Architect</b>	●			○
<b>Well being during Constrn.</b>			○	●
<b>Water</b>	○	●		
<b>Energy – end use</b>		●		○
<b>Energy – embodied &amp; Constrn.</b>	●		○	
<b>Renewable Energy</b>		●	○	
<b>Water – recycle &amp; re-use</b>		○		●
<b>Well being post occupation</b>		●	○	
<b>Waste Mgmt</b>	○	●		
<b>Bldg. &amp; Operational Maintenance</b>			●	○
<b>Innovation</b>	●			○

 **Primary**
 **Secondary**

# ***Magma's ESG Approach***

## Magma's Green Portfolio

- Renewable energy projects
- 1<sup>st</sup> Project –Windmills with installed capacity of 17.45 MW
- New Products w.r.t Energy Efficiency for SMEs, carloans and Homeloans in pipeline

## Alignment

- Inline with KKR's Green Portfolio initiative we are starting our Carbon Footprint Mapping
- Getting an Environmental and Social Sustainability Policy in place with inputs from the IFC Sustainability Framework
- Vision to approach high level of Carbon Neutrality

# Green Makes Business Sense

With 80% of our network in Rural/Semi Rural Areas, our role is that of a Catalyst to initiate positive change, not only by lending money but empowering our customers by building ecosystems .

## Philanthropic CSR

- Literacy Project - For Tribal Children
- Grand Parent's Day Out
- Providing Mid Day Meals
- Events for underprivileged children
- Financial assistance to socially disadvantaged patients of Cancer

## Vehicle Loans – Cars, Trucks, Used

- Awareness :  
Street plays on  
Road safety
- Free Pollution  
Check Booths
- Health and Eye  
Check camps for  
Truck Drivers

## SME Loans

- Encouraging  
Entrepreneurship  
through  
Workshops
- Providing  
Scholarships to  
youngsters to  
start on their own

GRIHA Approach	Builder	Client	F.I.'s	Regulator
Landscape Architect	●			○
Well being during Constrn.	1. More CF funding for higher material costs 2. Special Interest rates for such projects			
Water	○	●		
Energy – end use		●		○
Energy – embodied & Constrn.	1. Mostly for Commercial and retail sector 2. IT parks, SEZ's to have special lending schemes; LRD			
Renewable Energy		●	○	
Water – recycle & re-use		○		●
Well being post occupation	1. Maintenance costs to be included in EMI 2. Fund RWAs for FMG costs through Organised / MNC players			
Waste Mgmt				
Bldg. & Operational Maintenance	3. Reverse Mortgage facility to be extended aggressively			
Innovation	●			○

 Primary
  Secondary

# What Magma Housing Finance is happy to look into ....

- Green Home : special product being launched

- Recommended suggestions implementable :

1. More CF funding for higher material costs

2. Special Interest rates for such projects

1. Mostly for Commercial and retail sector

2. IT parks, SEZ's to have special lending schemes; LRD

1. Maintenance costs to be included in EMI

2. Fund RWAs for FMG costs through Organised / MNCs

3. Reverse Mortgage facility to be extended aggressively

- Other initiatives we can consider ...

1. Resale in Green buildings can be funded; even upcountry projects / customers

2. Fund low cost and mass housing projects – Construction and Retail both

3. Work out Appraisal model for all green projects and individual homes at reduced interest rates

# What do we expect ?

- Awareness campaigns about benefits and simplify the Green building certifications through select Govt. Approved Architects and Valuers.
- Detailed training on Green buildings approach by TERI to FI's for how to fund them
- Policy changes to consider –
  - **FSI, Extra Loan/LTV**
  - **Extend EE Building funding to Rural areas also ; increase urban limits beyond 50 lacs**
- Increase the number of Green projects; expand to more locations, we can provide the reach
- Unified approach for green building ratings .... Currently three BEE, IGBC and Griha !



***Thank You***



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