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REAL ESTATE

Realty PE firm Nisus Finance exits Midcity Heights' project

By Swet Sarika 03 November, 2017

Real estate investment firm Nisus Finance Services Co Pvt. Ltd has exited its investment in a project of Mumbai-based developer Midcity Heights.

Mumbai-based NiFCO had put in around Rs 30 crore in Midcity Heights' Ocean Heights around 14 months ago. The firm has now exited the project, clocking a multiple of 1.23x on the investment, it said in a statement.

"Our strategy of investing in late-stage projects is paying rich dividends to investors. This is the third instance wherein we have returned back capital this year without delinquency. It vindicates our strategy and asset management strength," said Amit Goenka, managing director and chief executive officer, NiFCO.

"The advent of Real Estate Regulatory Authority has boosted buyer confidence for fast completing projects allowing increased sales velocity and quick receivables," he said.

According to Goenka, RERA has allowed many promoters to look for last-mile funding to accelerate completion and delivery. Also, ready and nearly ready projects are most attractive to buyers.

"NiFCO's strategy works well with such last mile investments since project companies can raise money quickly and retire it quickly, optimising their capital costs while maximising benefits from their project's profits. Investors are benefitting well from this as their capital is churning fast, without getting stuck while diversifying their portfolio, on the back of high returns," he said.

Mid-income housing projects have seen a revival in demand, supported by aggressive home finance schemes which have brought in liquidity into such projects, the realty investment firm said in the statement.

NiFCO, which offers funding, asset management and investment banking services, has assets under management worth Rs 900 million.

In May last year, it had invested Rs 30 crore in an ongoing residential project of Bengaluru-based developer Shriram Land Development.