

Milestone Capital Looks to Raise ₹1,400 cr

Kailash.Babar@timesgroup.com

Mumbai: Private equity firm Milestone Capital Advisors is looking to raise ₹1,400 crore through its Milestone Commercial Advantage Fund to invest in pre-leased assets, including commercial offices, IT parks and logistics parks, a top company executive told ET. The fund-raising will have a green-shoe option of ₹700 crore.

This will be Milestone Capital's 11th fund and its fourth private REIT fund. The fund will have a tenure of up to seven years, including two extensions of one year each. The fund will invest in grade 'A' commercial assets in India's top five property markets—Mumbai, Pune, Bengaluru, Delhi-NCR, Hyderabad and Chennai. It will invest primarily in pre-leased assets with an objective of generating periodic yields and capi-

tal appreciation on exit. "Milestone Commercial Advantage Fund (MCAF) will be raised from domestic and offshore markets," Rubi Arya, executive vice-chairman at Milestone Capital Advisors, told ET.

"Across India, we are seeing vacancy rates fall. And with the growth of India's corporate sector



backed by industries such as IT, IT-enabled services (ITeS), BFSI, ecommerce etc, we are seeing rising absorption levels. Over 40 million sq ft of office space is being absorbed annually in major commercial centres in India."

Arya said with assets available at lower replacement costs, opportunistic investments will lead to higher returns. Modelled as a medium risk-high return structure, the fund is aiming to get gross returns

of up to 20% on investments ranging between ₹100 crore and ₹500 crore per asset. With an in-house asset management and leasing team, the fund is looking to monitor investments as well as managing tenants optimally. Milestone Capital Advisors has managed and exited over 4 million sq ft of prime commercial properties across the country.

It has achieved exits totalling ₹1,500 crore across its earlier three commercial funds.