



January-March, 2014



MILESTONE DOMESTIC SCHEME - I

Dear Investors,

Please find enclosed the investment update for Milestone Domestic Scheme – I (the “Fund”) for the quarter ended 31 March 2014.

Reserve Bank of India held the interest rates unchanged and continued to focus on containing inflation. We are likely to see reduction in the interest rates if the consumer inflation stays low – the key risk being monsoon. As a result, real estate may get a boost in demand. On the flip side, any real estate policy change including regulation for REITs is now expected to happen only after the general elections.

Capital values continue to remain high across major markets resulting in 10% drop in absorption Q-o-Q while new launches grew at about 4% during the same period. In order to improve sales, developers have started to offer discounts like free car parking, absorbing stamp duty and registration charges etc, which lead to overall discount of about 10% – 15% off on the capital values. MMR -Mumbai is the only major city with a preference for 1 BHK units while NCR, Bangalore and other markets indicate preference for larger size units. On a pan India basis, residential apartments targeted at middle class and upper middle class segments is the largest segment with strong demand potential at appropriate price points.

We continue to strengthen our team and Mr Apurva Gupta with 15 years experience in sales, marketing and leasing has joined us.

During this quarter, the Fund has received Rs 7.57 crore as capital divestment and income from various portfolio companies. We are in the process of signing exit agreements from 2 projects in Chennai and expect to close in Q2, 2014.

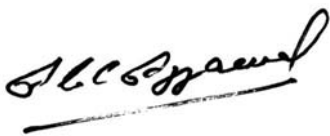
We made sixth distribution from the Fund in January 2014 and distributed Rs 23.04 crore to you.

It is essential to exit the portfolio companies at the right time and at right price to ensure that the Fund is able to achieve optimum value for its investment. Fund Manager has therefore recommended to the Trustee, to extend the fund life by one more year till March 2015, which they have accepted. This is the final extension and the Fund expects to completely exit from the remaining investments within this time period.

We continue to focus on managing the portfolio and plan for exits during the fund life including extensions.

We thank you for your continued support.

Regards,



Alok Aggarwal

Managing Partner & CEO – Real Estate



Nitin Goel

Partner – Real Estate Investments

Milestone Domestic Scheme I

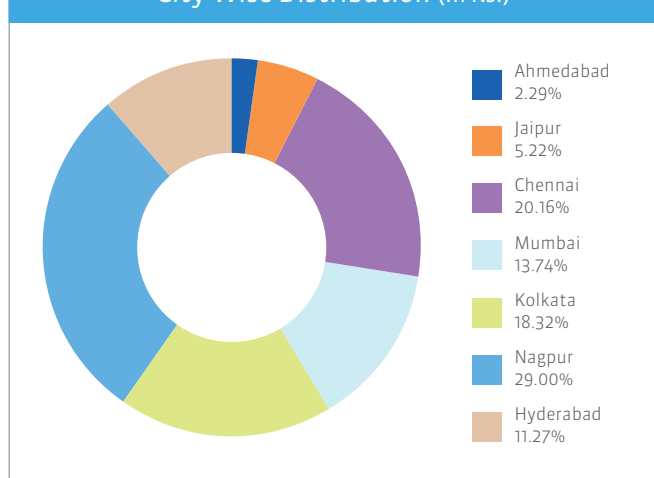
FUND SUMMARY AS ON MARCH 31, 2014

Total Fund Size	Rs. 229.3 Crores
Final Closing Date	31st March, 2008
Term	5 years + 1 year + 1 year
No. of Investments	15
Committed Amount	Rs. 218.3 Crores
Capital Divested	Rs. 127.2 Crores (55%)
Income Generated (Pre-tax)	Rs. 60.5 Crores
Total Exit Amount	Rs. 187.7 Crores (82%)

INVESTMENT SUMMARY AS ON MARCH 31, 2014

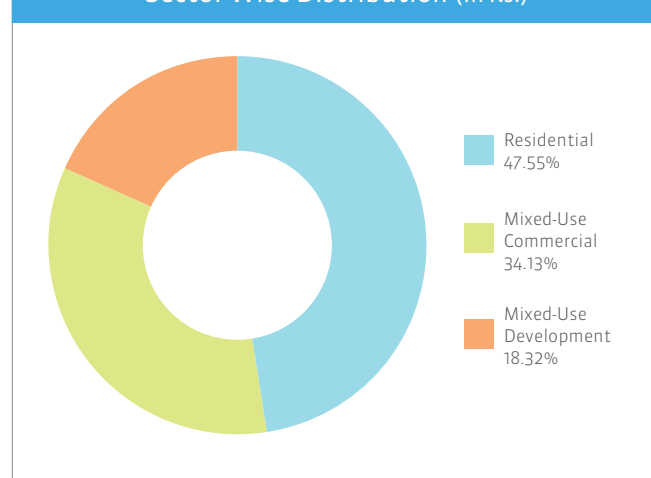
					Rs. Crore
No.	Project	Partner	Location	Initial Investment Date	Fund's Commitment
1	Sanand Kadi Highway	Sheth Builders	Ahmedabad	Feb-08	5.00
2	Various	Ramaniyam	Chennai	Various	44.00
3	Harihar	Harihar Housing	Nagpur	Dec-07	10.00
4	Assa House	Milestone Group	Nagpur	Jan-08	43.50
5	Leela Gardens	Leela Arcades	Nagpur	Jan-08	9.80
6	Prakriti	Godrej Properties	Kolkata	Aug-09	40.00
7	Insignia	Dheeraj	Mumbai	Jan-08	30.00
8	Orchid	UDB Group	Jaipur	Aug-07	11.40
9	Platina	Koncept Ambience Manjeera & Gowra Ventures	Hyderabad	Sep-07	24.60

City-Wise Distribution (In Rs.)



Shown above is the city-wise distribution (in Rs.) of the various projects in the portfolio

Sector Wise Distribution (In Rs.)

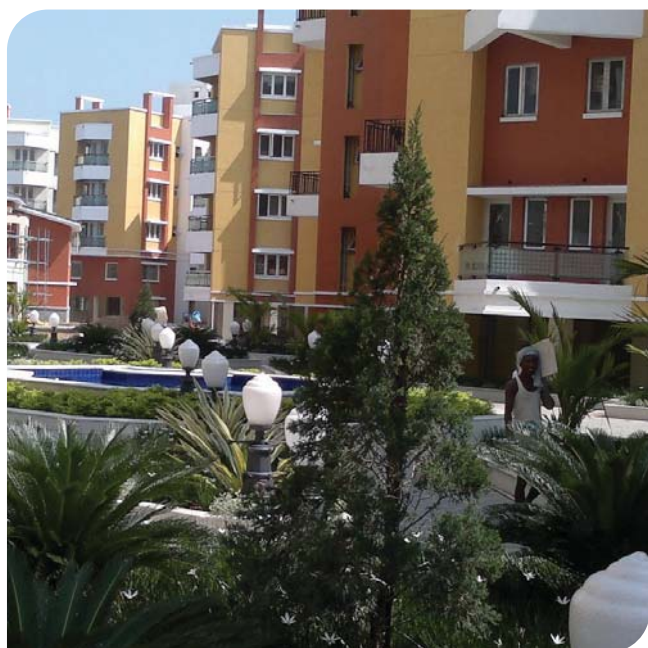


Shown above is the sector-wise distribution (in Rs.) of the various projects in the portfolio

Milestone Domestic Scheme I

PORTFOLIO EXIT DETAILS AS ON AS ON MARCH 31, 2014							RS. CRORE	
No.	Project	Location	Capital Commitment	Capital Invested	Capital Divested	Income Generated <small>(Pre Tax, Pre expenses)</small>	Total Exit	% Capital Divested
				(A)	(B)	(C)	(B+C)	(B/A)
1	Ahmedabad	Sanand Kadi Highway	5.0	5.0	5.0	0.9	5.9	100.0%
2	Water Front	Siruseri, Chennai	10.4	10.4	10.4	0.2	10.6	100.0%
3	Ramaniyam (4 projects)	Chennai	24.0	24.0	19.1	7.2	26.3	79.58%
4	Auroville	Pallikarnai, Chennai	3.2	3.2	2.8	0.7	3.5	87.50%
5	Lalah Tower	Nelson Manickem Rd., Chennai	6.4	6.4	-	-	-	-
6	Harihar	Wardha Road, Nagpur	10.0	10.0	-	4.9	4.9	-
7	Assa House	Kingsway, Nagpur	43.5	38.0	-	-	-	-
8	Leela Gardens	Snehnagar, Nagpur	9.8	9.8	0.8	-	0.8	8.16%
9	Prakriti	Sodepur, Kolkata	40.0	40.0	40.0	19.9	59.9	100.0%
10	Insignia	Kalina, Mumbai	30.0	30.0	30.0	19.5	49.5	100.0%
11	Orchid	Ajmer Road, Jaipur	11.4	11.4	6.4	0	6.4	56.14%
12	Platina	Gachibowli, Hyderabad	24.6	24.0	12.7	7.2	19.9	52.92%
Total			218.3	212.2	127.2	60.5	187.7	

Water Front, Chennai



Location	Kazipattur, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 10.40 Crores
Disbursed Amount	Rs. 10.40 Crores
Date of Initial Investment	December 2007
Project Stage	Construction and Sales
Land Area	4.32 Acres
Total Saleable Area	191,093 sq ft
Approval Status	Approvals received
Construction Status	Complete
Divested Amount	Rs.10.40 Crores
Income Generated	Rs.0.16 Crores

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai

The project is a residential project that is strategically located off Old Mahabalipuram Road - the IT corridor of Chennai

Project Plan

The project plan is to develop 7 blocks of premium residential apartments over 4.32 Acres, amounting to approximately 191,093 sq ft of saleable area. The development also includes a clubhouse with a fitness center, movie theatre, meditation hall, party hall and activity studio among other amenities.

Exit Status

Fund has exited the investment in April 2012 at capital.

Gauravv, Chennai



Location	Sholingallur, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 24 Crores across 4 projects
Disbursed Amount	Rs. 24 Crores across 4 projects
Date of Initial Investment	March 2008
Project Stage	Construction and Sales/ Partial Exit
Land Area	2.4 Acres
Total Saleable Area	169,477 sq ft
Approval Status	Approvals in place
Construction Status	Nearing completion
Sales Status	More than 98% sold
Divested Amount	Rs. 19.07 Crores across 4 projects
Income Generated	Rs. 7.21 Crores across 4 projects

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai.

The project is a premium residential project that is strategically located around Old Mahabalipuram Road - the IT corridor of Chennai.

Project Plan

The project plan is to develop 4 blocks of premium residential apartments over 2.4 Acres, amounting to approximately 169,477 sq ft of saleable area.

Current Status and Recent Developments

Block I, II and III - All work is complete. Completion Certificate obtained.

Block IV - Final Finishing work is in progress.

Few apartments have been handed over for fitouts.

OC for Block - II obtained.

Way Forward and Exit Strategy

Partial exit from this project has already been made and the Fund is in discussion with developer to completely exit from the Project during the next 3 months. Fund expects to exit at a gross IRR of about 20% from the returns of this project and Stone Arc combined.

Chaitanya, Chennai



Location	Koyembedu, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 24 Crores across 4 projects
Disbursed Amount	Rs. 24 Crores across 4 projects
Date of Initial Investment	March 2008
Project Stage	Partial Exit
Land Area	2.48 Acres
Total Saleable Area	184,400 sq ft
Approval Status	In place
Construction Status	Commenced
Sales Status	Launched
Divested Amount	Rs. 19.07 Crores across 4 projects
Income Generated	Rs. 7.21 Crores across 4 projects

Current Status and Recent Developments

Project 85% completed & 92% sold

Buildings completed 90% . Finishing work in progress inside the apartments. Stilt –finishes in progress

Way Forward and Exit Strategy

Fund is in discussion with the developer to exit the Project by June 2014 at an expected IRR of 12% - 14%.

Project Plan

Expected completion by December 2014

Pallavakkam Bungalows, Chennai



Location	Pallavakkam, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 24 Crores across 4 projects
Disbursed Amount	Rs. 24 Crores across 4 projects
Date of Initial Investment	March 2008
Project Stage	Construction/Partial Exit
Land Area	0.99 Acres
Total Saleable Area	40,000 sq ft
Approval Status	N A
Construction Status	N A
Divested Amount	Rs. 19.07 Crores across 4 projects
Income Generated	Rs. 7.21 Crores across 4 projects

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai.

The project was planned as a gated bungalow community at reasonable prices that is located less than 500 meters from the sea.

Exit Status

Fund has fully exited the project in October 2013 at capital with a nominal profit

Stone Arc, Chennai



Location	Thiruvanmiyur, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 24 Crores across 4 projects
Disbursed Amount	Rs. 24 Crores across 4 projects
Date of Initial Investment	March 2008
Project Stage	Full Exit
Land Area	0.94 Acres
Total Saleable Area	50,557 sq ft
Approval Status	Approvals in place
Construction Status	Completed
Sales Status	Sold
Divested Amount	Rs. 19.07 Crores across 4 projects
Income Generated	Rs. 7.21 Crores across 4 projects

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai.

The project is an up market residential complex with 11 blocks that is located in Thiruvanmiyur, a suburb of Chennai with excellent infrastructure and good connectivity.

Exit Status

Fund has fully exited from this project in August 2011.

Fund expects a gross IRR of about 20% from the returns of this project and Gaurav combined.

Auroville, Chennai



Location	Pallikarnai, Chennai
Partner	Ramaniyam
Asset Class	Residential
Committed Amount	Rs. 3.2 Crores
Disbursed Amount	Rs. 3.2 Crores
Date of Initial Investment	May 2008
Project Stage	Construction and Sales/Partial Exit
Land Area	1.25 Acres
Total Saleable Area	151,110 sq ft
Approval Status	Approvals in place
Construction Status	Nearing Completion
Sales Status	97% sold
Divested Amount	Rs. 2.80 Crores
Income Generated	Rs. 0.71 Crores

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai.

The project is located on the road connecting Old Mahabalipuram Road and Grand Southern Trunk Road with a strong catchment of IT/ITeS players making it a good location for a premium residential project.

Project Plan

The project plan is to build 151,110 sq ft (approximately) of premium residential space on 1.25 Acres of land in an upcoming residential area in Chennai offering state of the art amenities and features at affordable prices.

Current Status and Recent Developments

Final finishing work completed including amenities block & handing over of apartments is underway.

Completion Certificate has been received.

Way Forward and Exit Strategy

Partial exit has already been made from this project.

The fund expects to fully exit from this project once the handover is complete to the flat buyers by September 2014.

Lalah Tower, Chennai



Location	Nelson Manickem Road, Chennai
Partner	Ramaniyam
Asset Class	Commercial
Committed Amount	Rs. 6.40 Crores
Disbursed Amount	Rs. 6.40 Crores
Date of Initial Investment	July 2008
Project Stage	Construction
Land Area	2.26 Acres
Total Saleable Area	287,072 sq ft
Approval Status	Approvals are in place
Construction Status	In progress
Leasing Status	Not leased
Divested Amount	-
Income Generated	-

Transaction Overview and Investment Rationale

The project is in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai.

The project is strategically located on Nelson Manickam Road - one of the fastest growing commercial areas in Chennai with excellent infrastructure.

Project Plan

The project plan is to develop 287,072 sq ft (approximately) of premium commercial space on 2.26 Acres of land in the heart of Chennai.

Current Status and Recent Developments

Fire Fighting installations in progress.

Staircase work and external hard paving in progress.
External Glass cladding 60% complete

Commercial leasing market is very dull. Plan to complete construction in next 4-6 months, and developer has increased efforts towards sale / leasing of project.

Way Forward and Exit Strategy

Developer is in discussions with potential buyers for complete sale of the building. If the sale discussions are successful, we expect to exit by Q3, 2014.

Harihar, Nagpur



Location	Wardha Road, Nagpur
Partner	Harihar Housing
Asset Class	Residential
Committed Amount	Rs. 10 Crores
Disbursed Amount	Rs. 10 Crores
Date of Initial Investment	December 2007
Project Stage	Construction
Land Area	25.00 Acres
Total Saleable Area	670,000 sq ft
Approval Status	Layout approvals received
Construction Status	Development reinitiated
Divested Amount	–
Income Generated	4.90 Crores

Transaction Overview and Investment Rationale

The project is in partnership with Harihar Housing (now Harihar Infrastructure Development Corporation) - a well known developer in Central India.

The project is planned as an integrated residential township, located off Wardha Road close to the MIHAN project (Multi-modal International Cargo Hub and Airport).

Project Plan

The project plan was to develop an integrated residential township over 25 acres.

Current Status and Recent Developments

Infrastructure and construction work had commenced. Internal road and approach road is partly completed.

Sample flat constructed on site. The demand for projects on the outer areas of the city has been subdued and developer has now reinitiated the construction of a few row houses sold recently.

Way Forward and Exit Strategy

Fund has signed exit agreement with developer at 13% return (Simple interest). Initial payment of Rs. 4.9 crores received.

Expect to completely exit in Q1, 2015.

Assa House, Nagpur



Location	Kingsway, Nagpur
Partner	Milestone Group
Asset Class	Commercial
Committed Amount	Rs. 43.50 Crores
Disbursed Amount	Rs. 38.00 Crores
Date of Initial Investment	January 2008
Project Stage	Construction
Land Area	0.54 Acres
Total Saleable Area	53,000 sq ft
Approval Status	1.25 FSI Approval Received
Construction Status	In progress
Sales Status	Sales plan finalized for launch
Divested Amount	-
Income Generated	-

Transaction Overview and Investment Rationale

The development of the project is being carried out by the Milestone Group.

The project is located on Kingsway Road, in the heart of Nagpur and offers tremendous opportunity due to its central location.

Project Plan

The project plan is to develop a 87,000 sq ft (based on FSI of 2.0x) of commercial space in the heart of Nagpur. Current approval is to develop 53,000 sq ft.

Currently we have received approval for 1.25x FSI and based on recent Govt. resolution, the FSI may be increased to 2.0x in the project.

Current Status and Recent Developments

The building is a G+4 structure with two basements for car parking. The structure is fully complete and floor slabs have been cast till the fourth floor.

Ramp from Upper Basement to Ground completed.

Sale of shops & offices is being actively pursued through local brokers and we have received couple of enquires for sale of area on the ground, first and third floors.

Project construction expected to be completed in next 9 months for the 1.25x FSI approved area. If we receive approval for additional area, then the construction of additional 3 floors is proposed to be undertaken.

Plans for approval of additional 0.75 FSI have been submitted to authorities.

Way Forward and Exit Strategy

The discussions for sale on 'as-is' basis did not conclude and hence fund is now actively pursuing strata title sale. Local brokers and potential customers are being reached out. We expect to sell about 10,000 – 15000 sft area in next 3 months and completely exit the project by Q1 2015.

Leela Gardens, Nagpur



Location	Snehnagar, Nagpur
Partner	Leela Arcades
Asset Class	Residential
Committed Amount	Rs. 9.80 Crores
Disbursed Amount	Rs. 9.80 Crores
Date of Initial Investment	January 2008
Project Stage	Constuction and Sales/Partial Exit
Land Area	0.84 Acres
Total Saleable Area	119,383 sq ft
Approval Status	In place
Construction Status	Nearing Completion
Divested Amount	Rs. 0.75 Crores
Income Generated	-

Transaction Overview and Investment Rationale

The project is a premium residential development, located in Snehnagar which is 2 Km from the Dr. Babasaheb Ambedkar Airport (Nagpur Airport) and is opposite upcoming 5 star hotels like Radisson, Hyatt and the Orchid.

Project Plan

The project plan is to develop 119,383 sq ft of premium residential space in a good location in Nagpur.

Current Status and Recent Developments

Major construction is complete. However currently project is stalled.

Way Forward and Exit Strategy

Fund is exploring legal options to recover the investment made in the project.

Prakriti, Kolkata



Location	Sodepur, Kolkata
Partner	Godrej Properties
Asset Class	Residential Development
Committed Amount	Rs. 40 Crores
Disbursed Amount	Rs. 40 Crores
Date of Initial Investment	August 2009
Project Stage	Fully Exited
Land Area	24.22 Acres
Total Saleable Area	2,900,000 sq ft
Approval Status	Approvals in place
Divested Amount	Rs. 40.00 Crores
Income Generated	Rs. 19.92 Crores

Transaction Overview and Investment Rationale

The project is in partnership with Godrej Properties - a well established national brand that is known for its brand name, great value and excellent construction.

The project is located on Barrackpore Trunk Road (an arterial road in Kolkata) in Sodepur, close to Rajarhat, the upcoming IT/ITeS hub in Kolkata.

Project Plan

The project plan is to develop an integrated residential community spread over 24.22 acres which offers all the comforts and conveniences of modern and urban living.

Exit Status

Fund has fully exited from the project at a gross IRR of 19.7%

Insignia, Mumbai



Location	Kalina, Mumbai
Partner	Dheeraj Realty
Asset Class	Residential
Committed Amount	Rs. 30 Crores
Disbursed Amount	Rs. 30 Crores
Date of Initial Investment	February 2010
Project Stage	Construction and Sales/Partial Exit
Land Area	2.25 Acres
Total Saleable Area	580,000 sq ft
Approval Status	Revised plans submitted
Divested Amount	Rs. 30.00 Crores
Income Generated	Rs. 19.46 Crores

Transaction Overview and Investment Rationale

The project was in partnership with Dheeraj Realty - an experienced and renowned name in the industry.

The project is located in Kalina, Mumbai - in close vicinity of Bandra Kurla Complex, the secondary business district of Mumbai that is fast becoming the national head quarters for major international and national businesses.

Project Plan

The project plan was to develop premium residential space close to Mumbai's commercial hub offering homes with state of the art amenities like an open-sky swimming pool, jogging track, children's play area with other amenities.

Exit Status

Fund has fully exited in December 2013 from the project at a gross IRR of 20%.

Orchid, Jaipur



Location	Ajmer Road, Jaipur
Partner	Unique Dream Builders
Asset Class	Residential
Committed Amount	Rs. 11.40 Crores
Disbursed Amount	Rs. 11.40 Crores
Date of Initial Investment	August 2007
Project Stage	Construction and Sales
Land Area	2.61 Acres
Total Saleable Area	252,455 sq ft
Approval Status	In Place
Construction Status	Commenced
Sales Status	Over 70% sold
Divested Amount	Rs. 6.4 Crores
Income Generated	-

Transaction Overview and Investment Rationale

The project is in partnership with Unique Dream Builders, a reputed developer of Jaipur.

The project is residential development located on Ajmer Road with well developed infrastructure and good frontage.

Project Plan

The project plan is to develop 4 towers with a total of 246 flats totaling to approximately 252,455 sq ft of residential space on Ajmer Road, Jaipur. The development proposes to offer a club house and amphitheatre among other amenities for its residents.

Current Status and Recent Developments

Construction of Block A, Block B, Block C and Block D is in progress.

Block A, B, C - Structure complete, Finishing in progress

Block D - 7th floor slab is in progress.

Over 70% of the flats have been sold.

The sales over last few months have been slow and the sale prices have also not improved in the micro market.

Construction is likely to be completed by December, 2014.

Way Forward and Exit Strategy

Fund has signed exit agreement with the developer.

Expect to completely exit by end of 2014 with return of capital

Platina, Hyderabad



Location	Gachibowli, Hyderabad
Partner	GM Infra Ventures
Asset Class	Mix use Commercial
Committed Amount	Rs. 24.60 Crores
Disbursed Amount	Rs. 24.00 Crores
Date of Initial Investment	September 2007
Project Stage	Construction/Partial Exit
Land Area	2.60 Acres
Total Saleable Area	Commercial - 400,000 sq ft Hotel - 150,000 sq ft
Approval Status	Approvals in place
Construction Status	In progress [pl put nos]
Sales Status	In progress [pl put nos]
Divested Amount	Rs. 12.68 Crores
Income Generated	Rs. 7.21 Crores

Transaction Overview and Investment Rationale

The project is being developed by GM Infra Ventures, a joint venture between Manjeera, Gowra Ventures, Konzept Ambience and Milestone - all reputed names in the industry.

The project is a premium commercial space located at Gachibowli - a major IT suburb of Hyderabad and home to many top IT companies like Microsoft IDC, Wipro and Infosys.

Project Plan

The project plan is to develop 400,000 sq ft of premium office space and a hotel of about 150,000 sq ft in Gachibowli, Hyderabad.

Current Status and Recent Developments

Construction work for both Block A and Block B has commenced.

Internal finishes & services work in progress in both blocks.

Further approx Rs. 45 cr. is estimated to be spent on construction till completion of the Project

Sales and leasing discussions are under way. Approximately 1,50,000 sq. ft. has been sold.

Project completion expected by December, 2014

Way Forward and Exit Strategy

Due to time over-run of the project and uncertain socio-political environment in Hyderabad, project completion has been delayed.

The fund has signed exit agreement with the developer at a gross IRR of 7%

Amount of Rs. 19.9 crores received. Balance money is expected to be received over next 6 months.

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602, Hallmark Business Plaza, Sant Dhyaneswar Marg, Opp. Guru Nanak Hospital,
Bandra (East), Mumbai - 400051. India.
email: milestone@camsonline.com, info@milestonecapital.in, website: www.milestonecapital.in