

Milestone Domestic Scheme - I



Newsletter for Quarter ended March 2015

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Dear Investors,

We are pleased to share with you our fund update on Milestone Domestic Scheme-I (The Fund) for the quarter January - March 2015

The Finance Minister unveiled the Union Budget in Feb 2015 with emphasis on high economic growth, improving ease of doing business and enhancing transparency. The Reserve Bank of India (RBI) cut the repo rate further by 25 bps in March 2015 on the back of reduction in inflation levels due to a slump in global oil prices. Banks are expected to cut interest rates which could provide a fillip to the residential real estate segment.

We believe that during this year, developers will focus on clearing the built up inventory and completing ongoing projects. Overall residential sales have dropped across six cities (source: Knight Frank) and the focus on affordable housing will expand the volumes. This could lead to an increase in housing sales which is estimated to rise this year to 1.92 lakh units in India's top seven cities viz. Delhi-NCR, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad and Pune (source: JLL India). With business sentiment improving, commercial office demand has improved and this in turn will have a positive impact on the residential real estate sector.

During this quarter, the Fund has made the 10th and 11th distributions and returned in aggregate Rs 24.1 Crores. These proceeds are on account of full divestment of the Fund's Investment in Assa House, Nagpur and income received from Ramaniyam projects, Chennai.

The fund life ended on 31 March 2015 and we expect to receive about Rs 21 Crores from developers in the next few months which will be distributed to the investors on receipt of the same.

I thank you all for your continued support.

A handwritten signature in black ink, appearing to read "Alok Aggarwal", with a horizontal line underneath.

Alok Aggarwal

Managing Partner & CEO – Real Estate

Portfolio updates

- The Fund has signed an exit agreement with Ramaniyan to exit the balance projects

Proposed Action

- Twelfth distribution of approx Rs. 5.0 crores is expected to be made by end of April 2015.

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FUND SUMMARY AS ON MARCH 31, 2015

Funds Received	Rs. 219.3 Crores
Final Closing Date	31st March, 2008
Term	5 years + 1 year + 1 year
No. of Investments	15
Invested Amount	Rs. 212.2 Crores
Capital Divested	Rs. 174.3 Crores
Income Generated (Pre-tax)	Rs. 82.4 Crores
Total Divested Amount	Rs. 256.7 Crores (117%)

PORTFOLIO EXIT DETAILS AS ON MARCH 31, 2015

RS. CRORES

No.	Project	Location	Capital Invested	Capital Divested	Income Generated (Pre Tax, Pre expenses)	Total Exit	% Capital Divested
			(A)	(B)	(C)	(B+C)	
1	Gaurav Ramaniyam	Chennai	2.0	-	-	-	-
2	Auroville	Pallikarnai, Chennai	3.2	2.8	0.7	3.5	87.50%
3	Lalah Tower	Nelson Manickem Rd., Chennai	6.4	-	2.0	2.0	-
4	Harihar	Wardha Road, Nagpur	10.0	-	5.0	5.0	-
5	Leela Gardens	Snehnagar, Nagpur	9.8	0.8	-	0.8	8.16%
FULLY EXITED INVESTMENTS							
6	Ahmedabad	Sanand Kadi Highway	5.0	5.0	0.9	5.9	100.0%
7	Water Front	Siruseri, Chennai	10.4	10.4	0.2	10.6	100.0%
8	Prakriti	Sodepur, Kolkata	40.0	40.0	24.8	64.8	100.0%
9	Insignia	Kalina, Mumbai	30.0	30.0	19.5	49.5	100.0%
10	Orchid	Ajmer Road, Jaipur	11.4	11.4	0.8	12.2	100.0%
11	Platina	Gachibowli, Hyderabad	24.0	24.0	12.7	36.7	100.0%
12	Ramaniyam (3 projects)	Chennai	22.0	22.0	11.5	33.5	100.0%
13	Assa House	Kingsway, Nagpur	38.0	27.9	4.3	32.2	100.0%
Total			212.2	174.3	82.4	256.7	

Gauravv, Chennai



Exit Status

The Fund has fully exited from Phase I of this project in April 2014 and on a cumulative basis with Stone Arc, the fund has achieved a gross IRR of 24 %. Fund has invested Rs. 2 crore in phase II & has signed the exit agreement for same. Fund expects to exit by April 2015

Location	Sholingallur, Chennai
Partner	Ramaniyam
Invested Amount	Rs. 24 Crores across 4 projects
Date of Initial Investment	March 2008
Total Saleable Area	169,477 Sq. Ft. (approximately)

Transaction Overview

The project is a premium residential project, in partnership with Ramaniyam Real Estates Pvt. Ltd. - a well established and experienced developer in Chennai and is strategically located around Old Mahabalipuram Road - the IT corridor of Chennai.

Auroville, Chennai



Exit Status

The Fund has signed an exit agreement with the developer and expects to exit completely by May 2015

Location	Pallikarnai, Chennai
Partner	Ramaniyam
Invested Amount	Rs. 3.2 Crores
Date of Initial Investment	May 2008
Total Saleable Area	151,110 sq ft (approximately)

Transaction Overview

The project is a premium residential project, in partnership with Ramaniyam Real Estates Pvt. Ltd. and is located on the road connecting Old Mahabalipuram Road and Grand Southern Trunk Road.

Lalah Tower, Chennai



Exit Status

The construction is expected to get completed in the next 4-6 months, and the leasing / marketing efforts are underway. Exit agreement has been signed with the developer and the Fund expects to exit the project by May 2015.

Location	Nelson Manickem Road, Chennai
Partner	Ramaniyam
Invested Amount	Rs. 6.40 Crores
Date of Initial Investment	July 2008
Total Saleable Area	287,072 sq ft (approximately)

Transaction Overview

The project is a commercial asset in partnership with Ramaniyam Real Estates Pvt. Ltd. and is strategically located on Nelson Manickam Road-one of the fastest growing commercial areas in Chennai.

Harihar, Nagpur



Exit Status

The Fund has signed an exit agreement with developer at 13% return (simple interest). Initial payment of Rs. 5.0 crores has been received. The Developer has defaulted on further payments under the Exit Agreement and the Fund has initiated legal action.

Leela Gardens, Nagpur



nature of the legal proceedings, we do not have clarity or a definite timeline on the recoverability of our dues. Thus, we have not indicated any further amounts being recovered from this investment.

Location	Wardha Road, Nagpur
Partner	Harihar Housing
Invested Amount	Rs. 10 Crores
Date of Initial Investment	December 2007
Total Saleable Area	670,000 sq ft (approximately)

Transaction Overview

The project is an integrated residential township over 25 acres in partnership with Harihar Infrastructure Development Corporation, and is located off Wardha Road close to the MIHAN project (Multi-modal International Cargo Hub and Airport).

Location	Snehnagar, Nagpur
Partner	Leela Arcades
Invested Amount	Rs. 9.80 Crores
Date of Initial Investment	January 2008
Total Saleable Area	119,383 sq ft (approximately)

Exit Status

Fund had signed consent terms with the developer and was entitled to receive Rs. 2.5 crores. However, developer has defaulted on the payment and fund is exploring legal action to recover the investment amount. On account of the lengthy



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