

Milestone Domestic Scheme - II



Newsletter for the quarter April - June 2016

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Dear Investors,

We are pleased to share with you our fund update for the quarter ended June 2016.

With a favorable monsoon, prudent fiscal consolidation and government's focus on pro-business legislations and faster clearances to projects, the growth drivers are in place for further increased economic activity which shall positively impact real demand over the medium term. Additionally, with increasing focus of the Union Government on housing for all till 2022 under the Prime Minister Awas Yojana, affordable housing will receive a major boost. This will lead to developers and fund providers to actively evaluate and develop affordable housing projects across the country.

The residential launches reduced by 49% in the last quarter thus reducing the inventory overhang in the first half of 2016 and improving the overall market sentiments. Further, developers willingness to realign their businesses in line with the Real Estate Regulatory Act will impact launches over the near term providing stability to home prices.

In this quarter the fund has completely exited from its investment in Dharuhera and Neptune. These divestment proceeds have been distributed to you. The Fund expects to exit balance portfolio investments by Q4, 2016.

We thank you all for your continued support.

A handwritten signature in blue ink that reads "Nilesh Karkhanis".

Nilesh Karkhanis
Head - Projects

Portfolio Updates

- The Fund has fully exited from its investment in Dharuhera and Swarajya, Neptune

Proposed Action

- For the Bhiwandi project, the Developer has received in principle sanction from a financial institution which will provide significant exit to the Fund

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FUND SUMMARY AS ON JUNE 30, 2016

Funds Received	Rs. 398.0 Crores
Final Closing Date	30th November, 2008
Term	4 years + 1 year + 1 year
No. of Investments	13
Invested Amount	Rs. 317.0 Crores
Capital Divested	Rs. 219.6 Crores
Income Generated (Pre-tax)	Rs. 125.5 Crores
Total Divested Amount from Portfolio Companies	Rs. 345.1 Crores
Additional Distribution made	Rs. 53.9 Crores
Total Divested Amount	Rs. 399.0 Crores (100%)

PORTFOLIO EXIT DETAILS AS ON JUNE 30, 2016

RS. CRORES

No.	Project	Location	Capital Invested (A)	Capital Divested (B)	Income Generated (Pre Tax, Pre expenses) (C)	Total Exit (B+C)	% Capital Divested
1	ACORN Warehouse & Logistics Parks	Dharuhera, NCR	52.3	-	-	0.0	-
2	ACORN Warehouse & Logistics Parks	Bhiwandi, Mumbai	40.8	10.0	-	10.0	24.51%
3	Marvel I	Velachery, Chennai	9.0	5.9	-	5.9	65.56%
4	Kattima	Thoraipakkam, Chennai	2.0	-	-	0.0	
5	Ramaniyam (4 Projects)	Chennai	34.5	25.8	7.3	33.1	74.78%
FULLY EXITED INVESTMENTS							
6	Assa House II	Kingsway, Nagpur	8.5	8.0	0.0	8.0	100.00%
7	Horizon	Shivaji Park, Mumbai	50.0	50.0	22.9	72.9	100.00%
	Sundernagar	Kalina Mumbai					
8	Prakriti (Godrej)	Sodepur, Kolkata	46.1	46.1	52.4	98.5	100.00%
9	Insignia (Dheeraj)	Kalina, Mumbai	20.0	20.0	13.0	33.0	100.00%
10	Belfort	Pondicherry	20.0	20.0	16.6	36.6	100.00%
11	Pushkar II, (Salaam Towers)	Sholinganallur, Chennai	12.0	12.0	5.9	17.9	100.00%
12	Swarajya, (Neptune)	Ambivali, Kalyan, Mumbai	21.8	21.8	7.4	29.2	100.00%
Total			317.0	219.6	125.5	345.1	

ACORN Warehouses and Logistics Parks, NCR



ft leasable area of which about 80% area is leased out at an average rental of Rs 15 per sq ft.. The fresh demand for warehousing space continues to be slow

Exit Status

The Fund has completely exited from this investment in July 2016

Location	Dharuhera, NCR
Partner	Milestone Group
Invested Amount	Rs. 52.3 Crores
Date of Initial Investment	June 2008
Land Area	66.00 Acres

Transaction Overview and Investment Rationale

The Fund has invested in a warehousing facility in Dharuhera, in the National Capital Region. The overall project plan is to jointly develop 1.65 mn sq ft of warehousing units in Dharuhera. Presently, three PEB blocks amount to 432,000 sq

ACORN Warehouses and Logistics Parks, Mumbai



Exit Status

The developer has received an in principle sanction from a financial institution which will provide significant exit to the Fund by Q32016. The Fund is in the process of finalizing exit agreement with the developer. The Funds expects to make a full exit by Q4, 2016.

Location	Bhiwandi, Mumbai
Partner	Rudrapratap Developers
Asset Class	Integrated Logistic Park
Invested Amount	Rs. 40.8 Crores
Date of Initial Investment	August 2009
Land Area	60 Acres

Transaction Overview and Investment Rationale

Milestone jointly owns the land with the developer and had invested to develop warehousing facility in Bhiwandi, on the outskirts of Mumbai. Due to appreciation in land values, fund believes a residential project may offer higher value. Final Development Plan has been notified.

Marvel, Chennai



Exit Status

The developer is in discussions with financial institutions to refinance and provide the Fund exit by Q3 2016.

Location	Velacherry, Chennai
Partner	Ramaniyam Group
Invested Amount	Rs. 9.0 Crores
Date of Initial Investment	August 2010
Total Saleable Area	178,000 sq ft (approximately)

Transaction Overview

The project is a residential project in partnership with Ramaniyam Real Estates Pvt. Ltd. and is located in Velachery, a well developed residential area of Chennai.

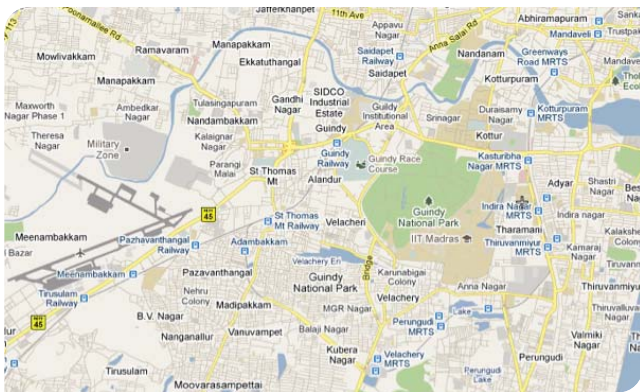
Kattima, Chennai



Exit Status

The Fund has signed the exit agreement and expects to completely exit the project in Q3 2016

Various, Chennai



Exit Status

The Fund has already exited 75% of the capital invested. For the balance investment, Fund is in discussions with the developer and expects to exit in Q4 2016.

Swaraja, Mumbai



Exit Status

The Fund has completely exited from this investment.

Location	Thoraipakkam, Chennai
Partner	Ramaniyam Group
Invested Amount	Rs. 2.0 Crores
Date of Initial Investment	February 2011
Total Saleable Area	192,000 sq ft (approximately)

Transaction Overview

The project is a premium residential project in partnership with Ramaniyam Real Estates Pvt. Ltd. and is located in Thoraipakkam, around Rajiv Gandhi Salai (OMR), an area that has evolved into a premier IT corridor.

Location	Thiruvanniyur, Chennai
Partner	Ramaniyam Group
Invested Amount	Rs. 34.5 Crores
Date of Initial Investment	May 2011
Total Saleable Area	550,000 sq ft (approximately)

Transaction Overview

The investment is across four residential projects located across Chennai in Velachery, Mandaveli and Thiruvanniyur and in partnership with Ramaniyam Real Estates Pvt. Ltd. Ramaniyam Group had entered into a Joint Development Agreement with M/s Land Marvel Homes for the development of these projects.

Location	Ambivali, Mumbai
Partner	Neptune Group
Invested Amount	Rs. 21.8 Crores
Date of Initial Investment	May 2011
Total Saleable Area	5,700,000 sq ft

Transaction Overview and Investment Rationale

The Fund has invested in an affordable housing project located in Ambivali near Kalyan in the Mumbai Metropolitan Region. The project is being developed by Neptune Group, and is spread across 115 acres spread across 6 Phases and 3 Sectors.

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