



**Structured Investment into Mid-Segment Residential Real Estate**  
A closed ended scheme of Milestone Alternate Assets Fund  
(Category II AIF)

Dear Investors,

We wish you a great festive season!

We are pleased to share with you our fund update for the quarter ended September 2017.

The quarter of July – September 2017 was characterized by developers realigning their processes to achieve compliance under RERA and GST. As was expected, launch of new residential units declined from 54,981 units in Q2 2016 to 24,784 units in Q2 2017 as developers focus on completion of existing projects. We anticipate this trend to continue for the next 12 – 15 months.

Over the medium term, RERA shall bring a higher degree of transparency and regulation in the sector leading to increased consumer confidence and demand.

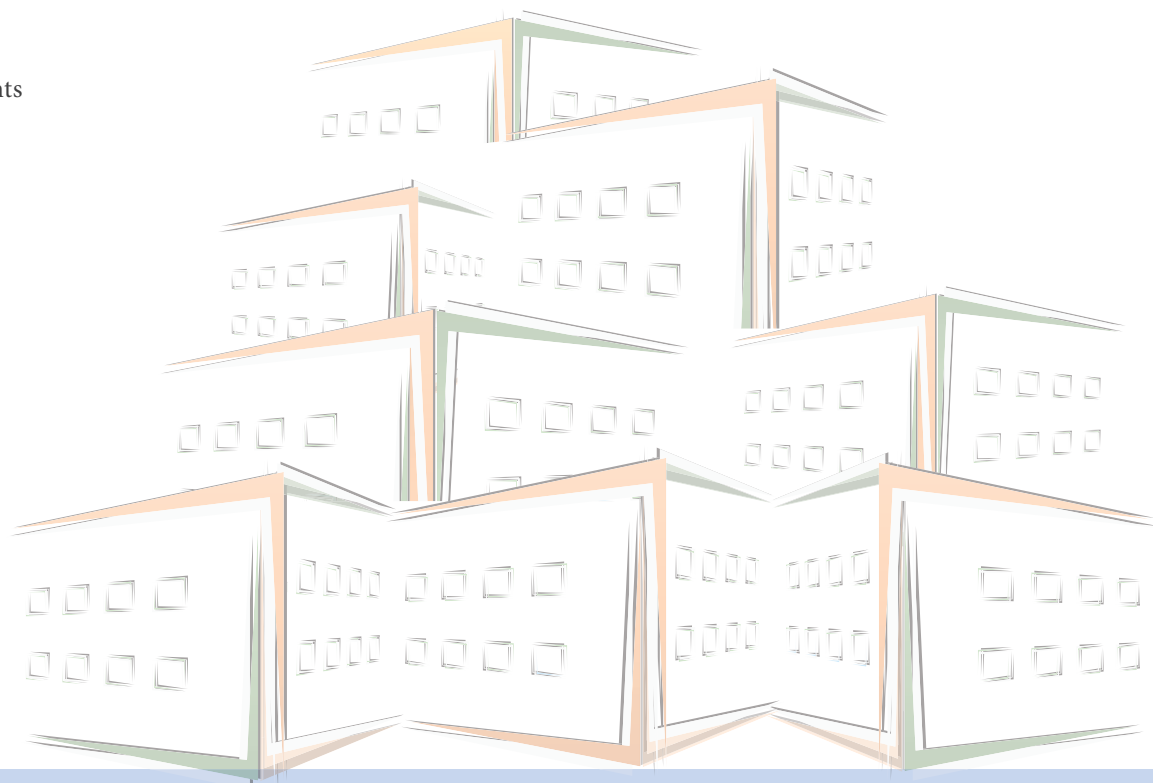
The commercial office market is showing continuous recovery with steady absorption of 38 – 40 million sf across India resulting in vacancies being at 10 year lows at 5% – 10%. An increase in absorption in the office space consequently positively impacts the demand for residential apartments over the medium term.

MOF 10 has made four investments and has been regularly receiving coupon from the same. As was informed to you through the 2<sup>nd</sup> payout letter, the Fund has distributed the coupon income received for its investments in Raj Tattva, Relstruct Group and Shriram Land Group.

We thank you all for the continued support.

A handwritten signature in blue ink that reads 'Niles Karkhanis'.

**Niles Karkhanis**  
Partner – Real Estate Investments



## FUND SUMMARY AS ON SEPTEMBER 30, 2017

Final Closing Date	May-17
Term	3.5 years + 1 year
No of Investments	4

## PORTFOLIO AS ON SEPTEMBER 30, 2017

							Rs. Crores
No.	Project	Location	Capital Invested*	Capital Divested	Income Generated	Total Exit	
1	Raj Tattva (Rajesh Lifespaces)	Thane	40.0	-	6.6	6.6	
2	Relstruct Group	Mumbai	25.0	-	1.2	1.2	
3	Shriram Land	Bengaluru	21.0	-	0.7	0.7	
4	Richa Group	Mumbai	17.2	-	-	-	
			<b>103.2</b>	<b>-</b>	<b>8.5</b>	<b>8.5</b>	

\*Capital invested includes investment from co-investors along with the Fund

## RAJ TATTVA, THANE

Location	Thane, MMR
Partner	Rajesh Lifespaces Group
Initial Investment Date	Nov 2015
Total Saleable Area	11.0 lakh sq ft (approximately)
Expected Rate of Return	20.0% - 22.0% IRR



Actual Image



Actual Image



Actual Image

### Transaction Overview

The Fund has invested in Kothari Autoparts Manufacturers Private Limited, an SPV of the Rajesh Lifespaces Group, which has a strong presence in the eastern and western suburbs of Mumbai. The investment is by way of non convertible debentures against mortgage of identified inventory in the residential project – Raj Tattva at Ghodbunder Road, Thane. The Project is under the MMRDA rental scheme and comprises sale portion of five residential towers and commercial space aggregating to approx 11.0 lakh sq. ft.

### Project Status

The construction is in full swing for both the MMRDA rental buildings and the sale buildings. Wings C and D have reached the 15th storey and the entire basement covering wings A,B,C and D is complete. The Project has achieved sales of more than 1.75 lakh sq. ft. in the four towers that have been launched.

The Company has introduced new offers for the festive season and the enquiries and conversion to actual sales is expected to be robust.

## RESLSTRUCT GROUP, MUMBAI

Location	Chembur, Mumbai
Partner	Relstruct Group
Initial Investment Date	June 2017
Total Saleable Area	3.6 lakh sq ft (approximately)
Expected Rate of Return	20.5% IRR



### Transaction Overview

The Fund has invested in two residential projects at Chembur: Hill View and Anand Tower. Both the projects are ongoing cash flow generating projects and have achieved significant sales derisking the investment. The investment is in a structured debt format through Non-Convertible Debentures for tenure of 36 months.

### Project Status

Hill View: Sale building has reached the 20th slab (out of total 25 slabs) and the rehab building has been 75% completed. The Project is fully sold.

Anand Tower: Super structure is fully completed for the sale building and significantly completed for both the rehab towers. The Project is 70% sold.

## SHRIRAM LAND GROUP, BENGALURU

Location	Narsapura, Bengaluru
Partner	Shriram Land Group
Initial Investment Date	June 2017
Total Saleable Area	5.5 lakh sq ft (approximately)
Expected Rate of Return	21.0% IRR



### Transaction Overview

Investment is in an SPV of Shriram Land Group which is part of the Shriram Group. The Group has a strong brand name and excellent track record in South India and especially Bangalore. The project is a plotted development at Narsapura, an Industrial town. The location offers a wide catchment area and excellent demand from end users and second home buyers alike due to its established connectivity to Bangalore, Kolar, Malur and Hoskote. The investment is in a structured debt format through Non-Convertible Debentures for tenure of 36 months.

### Project Status

The developer has mobilised at site for works such as levelling and grubbing. The developer is also in process of applying for Layout Approval and the same is expected by January 2017. The developer shall launch the project in early 2017.

## RICHA PARK MARINA, MUMBAI

Location	Dadar, Mumbai
Partner	Richa Group
Initial Investment Date	Feb 2017
Total Saleable Area	1.3 lakh sq ft (approximately)
Expected Rate of Return	22.0% - 24.0% IRR



Actual Image



Actual Image

### Transaction Overview

The Fund has invested with the Richa Group for a residential project in the prime location of Dadar, Mumbai. The Fund has invested in NCDS of the SPV developing the project against identified inventory. A well known NBFC is the construction finance lender at the site providing financial closure for the Project.

### Project Status

The excavation and foundation piling works are in progress at site. The revised building approvals and commencement certificate are expected to be received by Q4 2017 post which the project would be launched.

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