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NEWS CLIP

Milestone Capital aims at first close of new realty fund by mid-2014 – BY Pooja Sarkar

A few days ago, Milestone Capital hired Alok Aggarwal to lead its realty fund management business as managing partner and chief executive officer.

Milestone Capital Advisors, the home-grown private equity firm, is planning to launch its commercial real estate dedicated private equity fund, in the next few weeks, a top company executive said, adding that the firm would look at making the first close in six months.

This would mark the first fundraising exercise for the PE firm in years and comes over two-and-a-half years after it lost the founder and chief Ved Prakash Arya in a freak accident.

Navin Kumar, executive director, fund raising and investor relations, Milestone, said, “We would be launching the fund in a few weeks and have already initiated dialogue with our distributors for the same. We hope to mark our first close in first six months and expedite the process to close it soon.”

The fund aims to raise Rs 500 crore or roughly \$80 million from domestic investors and would tap its existing investor base. The new fund will acquire commercial assets with an average investment ticket size of Rs 100-125 crore. The fund will invest the money across four-five projects and it has identified Bangalore, Pune, Noida and Mumbai as key markets for investment.

Milestone has Rs 3,200 crore assets under management under its real estate umbrella with six domestic funds and two offshore funds.

Rubi Arya, director and vice chairman, Milestone Capital, said, “In the short term the fund is planning to focus on the commercial realty fund and will also look at other opportunities that come.”

A few days ago, Milestone Capital hired Alok Aggarwal to lead its realty fund management business as managing partner and chief executive officer. In May last year, the fund house brought in Nitin Goel from AIG Real Estate as partner for real estate investments. Goel is responsible for real estate development funds with a focus on new investment opportunities and exits from current portfolio.

Early last year, Milestone Capital had sold a part of its business by selling stake in its healthcare and education focused PE fund management joint venture with Religare to Quadria Capital.

The top management, including the promoters, had decided to put off plans for a sale and chose to revive the business.

(Edited by Joby Puthuparampil Johnson)

MILESTONE CAPITAL ADVISORS LTD.

602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (East), Mumbai 400 051. INDIA. Tel : +91 22 6716 7000 Fax : +91 22 6716 7077
email: mediadesk@milestonecapital.in