

Exclusive: Milestone Capital backs Shriram Land's Bengaluru project

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Homegrown private equity firm Milestone Capital Advisors Ltd has backed an under-construction project of Bengaluru-based Shriram Land Development, two people privy to the move told VCCircle. The Mumbai-based PE firm invested in a plotted development project through the Milestone Opportunities Fund 10, which had a target corpus of Rs 500-crore. The fund was [launched](#) in late 2014 to strike debt-like transactions in the residential real estate space.

When contacted by VCCircle, a Milestone Capital spokesperson confirmed the development. "We have put in about Rs 21 crore in the project of Shriram Land. The money has gone in the form of debt and will be used for its expansion," he said, adding that the transaction was closed last month.

With the recent transaction, Milestone has so far made four investments from its tenth fund, which had [made its debut deal](#) with Mumbai-based Rajesh Lifespaces. It has also backed projects by Richa Realtors and Relstruct Buildcon.

Ruby Arya, the executive vice chairman of Milestone Capital, had earlier said that the fund was aimed at creating regular interest income and capital appreciation to generate an overall gross IRR of 22-25% per annum at the portfolio level. The target was to invest in mid-segment housing projects in Mumbai, Delhi-NCR, Bengaluru and Chennai.

The Milestone spokesperson also said that the fundraising process for Fund 10 was closed, but did not mention if it had touched the upper limit of Rs 500 crore, or fell short of it.

The PE firm is separately [raising](#) a commercial real estate-focussed fund with a target corpus of Rs 1,400 crore. It intends to invest in pre-leased, income-generating commercial assets across the top seven to eight Indian cities.

Milestone's investment in the Shriram Land project comes at a time when developers are trying to raise capital from financial institutions to stay afloat in a sluggish market. Shriram Land had

also [secured](#) funding from alternative investment platform Nisus Finance Services Co. Pvt. Ltd for an ongoing project in Bengaluru. Debt deals have been the flavour of the season in the real estate deal-making space and considerable amount of capital from NBFCs and private equity firms have flowed into the sector. While Saha Group has raised Rs 200 crore from Edelweiss, Logix Group secured debts of Rs 900 crore from banks. Gurgaon-based AIPL, too, was backed with Rs 295 crore by Piramal Group and Reliance AIF.

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