

9 Report & Accounts

Report & Accounts

For the year ended 31 March 2009

Trikona Trinity Capital PLC

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Chairman's Statement

Martin Adams

Chairman of Trikona Trinity Capital PLC

Dear Shareholder,

The difficult conditions experienced in international financial markets in the past 18 months caused a sea change in shareholders' perceptions of the prospects for Indian real estate, from which the Company was not immune. Shareholders adopted a new investment policy for the Company in March 2009, which led to significant changes in the Board to oversee its implementation. In line with the new investment policy, strategies relating to each of the investments held by Trikona Trinity Capital PLC ("TTC") are currently under reconsideration and a comprehensive review of the Company's structure and operations is being undertaken. Although dealing with these fundamental changes at the Company are challenging, we are making good progress.

During the financial year to 31 March 2009, the Company's Net Asset Value ("NAV") declined by 25% from £1.51 to £1.13 per share. The Group incurred a loss per share of £0.24 (2008: profit of £0.27) after allowing for a fair value loss on the revaluation of investments of £163 million. The fall in NAV was mitigated by the positive effects of an 8% depreciation of UK sterling against the Indian rupee during the year. As stated in the Company's Admission Document, TTC does not hedge currency risk exposures between UK sterling and the Indian rupee. The Company's share price experienced a substantial drop during the last financial year, and at its lowest was £0.23 per share representing a discount to the last previously published NAV of 83%.

At an Extraordinary General Meeting held on 24 March 2009 ("EGM"), shareholders approved the following new Investment Policy for the Company:

"The Company shall promptly but having due regard to all applicable legal, governmental and regulatory constraints and with a view to maximising shareholder value, dispose of all its assets in an orderly fashion.

If the Company's Ordinary Shares are trading at a price below the NAV per Ordinary Share, the Company shall immediately effect a return of capital through a cash distribution to Shareholders.

The Company shall continue to seek new investment opportunities. If the Company's Ordinary Shares are trading at a price above the NAV per Ordinary Share, the Board will selectively determine, on a periodic basis, whether or not to make new investments."

Implementation of the new Investment Policy has required, with the assistance of the Manager, a detailed review of the performance and strategies with regard to each of the Company's investments, with a view to accelerating realisation timetables without unduly comprising projected returns. Inevitably, the time frames envisaged for realising development properties remains longer than those projected for listed and unlisted equity investments. The recent buoyant Indian stock market conditions will, hopefully, permit the acceleration of realisations of our non-project specific Indian investee companies and the Manager is currently focused particularly on supporting these companies through to flotation.

Returns on the project development assets will be slower to generate and are crucially dependent on our partners, licensing, marketing and construction. New investments and follow-ons by TTC are, in effect, on hold except where required to protect the Company's original investment and/or where legal obligations exist. New investment opportunities will, however, be considered as and when the Company's share price exceeds NAV.

The Company is not conducting a fire sale of its assets and remains committed to maximising shareholder value by selling investments only when it is appropriate to do so. TTC's investments in Pipavav Shipyard Limited and IL&FS Transportation Networks Limited are progressing towards IPOs in India and realisation opportunities will arise as a consequence. On the other hand, as site development has not commenced on either the Uppal IT Park – 'Tech Oasis' or Luxor Cyber City projects, realisation prospects are more distant. Although TTC holds interests in 16 different companies/projects, the performance and realisation risk with respect to 8 of the investments is concentrated on three independent developers: SKIL, Rustomjee and the Dynamix Balwas group. The development and performance risk with respect to 5 investments, comprising 26.8% of the portfolio at current valuations, rests with Panthera Developers, a company related to the Manager. Disposal proceeds from realised investments will be distributed periodically to shareholders after taking into consideration on going liabilities. If investment realisations are implemented as currently planned, the Board expects that the Company will be able to return to Shareholders in the order of £100 million within the 24 month timescale announced in March 2009.

At 31 March 2009, the Company held £60 million in cash. Of this amount, £13.2 million was held as a reserve against investment commitments and approvals. Since the end of March, the Company has distributed £12 million through the repurchase of 21,367,702 shares, equivalent to 9.2% of TTC's share capital before the buyback commenced. The Board has authority to purchase

and cancel up to 70% of the Company's ordinary shares through a general share buy-back or tender offer(s). The Board will consider the most appropriate methods of distributing cash taking into account the views of shareholders.

Remuneration of the Manager aside, the Company's operating costs of £2.6 million incurred in the financial year to 31 March 2009 were equivalent to 1.0% of period end NAV. Including payments to the Manager and its related parties, operating costs amounted to 7.5% of NAV. The Audit Committee is undertaking, with the assistance of the Administrator, a thorough review of all operating costs with a view to bringing expenses down to more normal levels.

One of the more significant challenges we face is the realignment of the Manager's interests with those of the Company in the context of the new Investment Policy. The existing investment management agreement is long term in nature and incentivises the Manager to invest and maximise returns over the longer term. It is not easy to switch investment strategy, particularly in relation to development properties. Nevertheless, the Manager has assured the Board that they will implement the new Investment Policy even without changes to the management agreement and incentives. Since the EGM, the Manager has renegotiated existing investment agreements and released the Company from £12.9 million of previously contracted commitments. During our continuing discussions, TTC will endeavour to clarify and simplify the multiple service relationships that exist with parties connected to the Manager and/or its principals.

Valuations of real estate assets in an emerging economy such as India's remains a challenge, particularly as all investments are held through complex corporate structures and comparables are few and can be difficult. In valuing TTC's investments, the Audit Committee is advised by CB Richard Ellis and Protiviti Consulting. As required by the Company's Admission Document, property valuations have been carried out in accordance with the Valuation Standards (6th Edition) of the Royal Institute of Chartered Surveyors. Although the Company had adopted a new Investment Policy prior to the end of the financial year,

Chairman's Statement (cont.)

there has been no material change to the valuation methodology applied as compared with previous years' valuations.

During the last two years, the Company has developed an important partnership with SachsenFonds Asset Management GmbH ("SachsenFonds"), a leading German fund manager. In 2007 and 2008, SachsenFonds completed the launch of two India-focused closed end real estate funds in Germany which acquired significant interests in TTC's assets. During the last financial year, the second SachsenFonds vehicle acquired assets for £54.3 million from TTC, crystallising a gain of £16.5 million over cost for the Company. Although the Company announced that it intended to sell further assets to a third fund launched by SachsenFonds, the vehicle failed to complete its capital raising and that new fund is, to all intents and purposes, dead. TTC had invested £26 million in companies in India (shortly after the collapse of Lehman Brothers) in anticipation of selling a significant portion of some of those assets to the third SachsenFonds vehicle. Despite this disappointment, SachsenFonds remains an important partner for TTC, having invested, in aggregate, over £86.4 million in TTC assets and the Company retains certain contingent liabilities towards SachsenFonds. We intend to engage more closely with SachsenFonds in the coming months with a view to maximising potential returns for both TTC's and SachsenFonds' investors.

During the year, several changes were made to the Board. In October 2008, Andrzej Sobczak and Pradeep Verma, both of whom worked with Carrousel Capital Limited, a significant shareholder in TTC, joined the Board as non-executive directors. In March 2009, Rak Chugh, a Managing Director of the Manager, and Andrzej Sobczak, resigned from the Board. On the same day, I joined as a Director. Subsequent to the end of the financial year, in July 2009, Michael Cassidy, the former chairman, Paul Orchard-Lisle and Bill Hamilton-Turner all

resigned. Steve Coe joined the board and heads the Audit Committee. I was asked to assume the Chairmanship. Of the four current directors, only Pradeep Verma is remunerated by a shareholder. As such, the Board is independent of the shareholders and we are acting in the interests of the Company and shareholders as a whole. The Board hopes to appoint one further independent director with Indian real estate experience in due course.

Being a Director of TTC has never been for the faint-hearted and has been a far more demanding role than many other AIM-listed investment vehicles. As such, I should like to express the Board's gratitude for the services and efforts of Michael, Paul, Bill, Rak and Andrzej.

Other material changes which occurred with respect to the operation of TTC during the last financial year include the appointment of a new Nominated Adviser, Evolution Securities and new brokers, Evolution Securities and Arden Partners.

In terms of the outlook for the Company, the investment environment in India should help facilitate implementation of the new Investment Policy. The May 2009 elections in India, which brought about a decisive victory for the United Progressive Alliance party led by Manmohan Singh, should provide stable government with a positive impact on the Indian economy as further reforms are implemented. The improved business sentiment and rally in the Indian stock markets since the election is already facilitating potential disposal opportunities for TTC. Nevertheless, much work remains ahead of us. As progress is made in implementing the Investment Policy, we hope that investor confidence in TTC will return and that the stability and positive sentiment that now exists in India will also prevail among the shareholders of the Company.

Martin M. Adams
Chairman

Investment Portfolio Summary

Exchange rate is INR 72.86 = £1 at 31 March 2009

ID**	Investment Name	Location	Project Type	Investment Date	Capital Committed (£m)	Nav as of 31 March 2009 (£m) (100% basis)	Effective Trikona TC Nav as of 31 March 2009 (adjusted basis*)	% of total NAV
DP1	Uppal IT Park "Tech Oasis"	Greater Noida, NCR of Delhi	IT/ITES SEZ with Residential, Commercial & IT	Oct-06	36.2	39.1	28.7	11.0
DP2	Rustomjee's Township (Kapstone)	Thane, Mumbai	Residential, Commercial & Retail	Oct-06	10.6	12.4	12.4	4.7
DP4	Lady Ratan Seasons (Lokhandwala)	Worli, Southern Mumbai	Residential Space	Oct-06	13.1	18.2	10.7	4.1
DP6	Neelkamal Marine Drive (DB Hospitality)	Mumbai, Pune and Goa	Development company & Hospitality Platform	Dec-06	12.2	11.7	11.7	4.5
DP10	Luxor Cyber City	Gurgaon, NCR of Delhi	IT/ITES SEZ	Jun-07	38.4	29.8	25.3	9.7
DP11	Dynamix Balwas Realty	Mumbai	Residential & Commercial	Apr-07	26.4	46.2	46.2	17.7
DP13	MIG Bandra IV Rustomjee Constructions	Mumbai	Residential Space	May-08	1.6	1.5	1.5	0.6
DP14	Sankalp Township	Amreli, Gujarat	Township - Residential, Commercial, Retail, Hospitality, Healthcare	Oct-08	3.3	2.2	2.2	0.8
DP15	Jodhana Developers Private Limited	Jodhpur, Rajasthan	Residential Villas and Commercial	Oct-08	6.1	8.3	8.3	3.2
DP16	Virar Township	Thane	Residential, Commercial, Retail	Oct-08	5.7	5.5	5.5	2.1
EH7	Fortis Healthcare Limited	Pan India	Infrastructure	Jan-07	13.5	7.4	7.4	2.8
EH8	Pipavav Shipyard Limited	Pipavav Port, State of Gujarat	Infrastructure	Jan-07	13.5	29.7	29.7	11.4
EH9	IL&FS Transportation Networks Limited (ITNL)	Pan India	Infrastructure	Oct-06	5.1	6.0	6.0	2.3
EH12	Phoenix Mills Limited	Pan India	Retail, Commercial & Hospitality	Jun-07	7.4	1.7	1.7	0.7
EH17	Horizon Countrywide Logistics Limited	Mumbai	Infrastructure	Oct-08	11.2	5.1	5.1	1.9
	MK Malls Mezzanine debt	Mumbai	Retail	-	12.3	16.5	16.5	6.3
	Other	-	-	-	-	39.7	42.4	16.2
TOTAL					-	281.0	261.3	100

* Adjusted by NAV attributable to minority holders of the Mauritian SPV post realisation

** DP = Development Project; EH = Equity Holding

Investment Manager's Report

The year to 31 March 2009 has been a challenging one for Trikona Trinity Capital. The global financial and economic turmoil, and more specifically the extensive corporate activity faced by the Company during the second half of the year, had a significant impact on its strategic direction. These events led to a detailed Strategic Review of the Company, with an Extraordinary General Meeting ("EGM") then held on 24th March 2009 to reconsider the Company's Investment Policy. The Manager continues to work with the Board to help implement the new Investment Policy and assist with opportunistic asset realisations.

We have proven our ability to create shareholder value by investing in projects at early stages, attracting institutional follow-on investment at higher values, and creating multiple exit opportunities. During the year, we have worked alongside investee companies and partners to build value in a tough global environment. Through rigorous project monitoring and reporting, we have ensured that development hurdles were sufficiently addressed and overcome.

As the year has progressed, we have regularly reviewed the product-mix of each of our developments in the context of its environment and the surrounding area. Where prudent, we have initiated detailed discussions with the relevant developer and investee companies to suggest ways in which we can change the product-mix to more effectively utilise cash and ensure sales continuity. These discussions have been well-received and several of our developments have proceeded with these changes.

We have also actively managed the finances of our developments, ensuring that none of our projects ran low on debt despite a high level of credit deficiency across the industry. In addition, the Manager has discouraged leveraging the portfolio in response to the hike in interest rates.

Investment Highlights

Since listing, Trikona Trinity Capital has successfully realised cash-on-cash returns on six of its 16

projects. Some of the major highlights are as follows:

In Uppal IT Park (DP1), the project received formal approval as an SEZ by the Government of India and is in the process of being notified by the state government. The master plan for the property has been approved by GNIDA.

In Rustomjee's Township (DP2), a total saleable area of 1,178,000 sq. ft (1297 units) has been launched in the Project, of which 701,275 sq. ft. (790 units) has been pre-sold. This development continues to make progress and within the next year Kapstone Constructions Private Ltd. plans to launch another 1.1 million sq. ft. of which it anticipates being able to pre-sell around 550,000 sq. ft.

DB Hospitality (DP6) continues to perform well and make good progress; civil construction for the Goa hotel is complete and the finishing/interior work is developing well. The hotel will be ready for soft launch in December 2009 and is likely to be commissioned in March 2010. The superstructure for the Pune hotel and foundation work for the Mumbai hotel are progressing and it is anticipated that they will be operational by December 2010 and May 2012 respectively. Since the March year-end, DB Hospitality has diversified into providing in-flight catering to airlines including Lufthansa Airlines and Thai Airlines. The company has also signed an exclusive agreement with Japan's JAL Hotels Company Limited, who own 59 luxury hotels worldwide. Under the agreement, DB Hospitality will be developing DB-Nikko branded properties across nine cities in India, whilst investing US\$1 billion in hotel projects in India over the next four years. The Company also have signed an agreement with Hyatt Place and have two hotels under construction; one in Pune and the second in Mundra SEZ. As planned the Le Meridien Ahmedabad was inducted in to the DB Hospitality portfolio after following the prescribed process.

The "Kandivili Suburbia" project (one of the eight projects launched under DB Realty (DP11)), pre-sold 227, 098 sq. ft. of affordable residential space within

weeks of the launch, representing approximately 70% of total flats available. Also four further projects are underway, including the retail project at Dahisar where the mix has changed to include 3300 affordable homes, of which 2,077 homes have been pre sold.

In September 2008, the Company announced that it had invested £24.68 million in four new projects: Sankalp Buildwell Private Limited (“Sankalp”) (DP14), Jodhana Developers Private Limited (DP15), Enigma Constructions Private Limited (“Virar”) (DP16) and Horizon Countrywide Logistics Limited (EH17).

Sankalp is an ‘integrated township’ development project planned over 186 acres in Pipavav, Gujarat. The project is very well positioned to capture the industrial growth being generated in the region, and once built the development will cater to the workforce employed by several nearby enterprises including Pipavav shipyard, the Port of Pipavav, Birla Goup’s cement plant and other major industries planned. Since the March year-end, the Manager has been informed that the ‘Master Plan’ for the township has been approved by the Town Planning Authority.

Jodhana is a high-end residential and commercial project located within the precincts of Umaid Bhavan Palace, a prime location in Jodhpur and home to the Marwari community. Demand for this type of development is high amongst affluent local businesses and high net worth individuals.

Spread over 217 acres, Virar is one of Mumbai’s largest affordable middle-income-group housing projects, with housing starting at as little as £11,000. At the time of our investment, the intended project size was just 43 acres, but it has grown considerably since then, at no additional cost to the Company. The project also benefits from having all approvals and permissions in place. To date, 2,070 flats out of a total of 2,378 have been pre-sold.

As reported in note 11 of the Company’s Interim Report and Accounts as at 30th September 2008, the Board set aside £9.6 million of reserve funding for Sankalp (DP14) and Jodhana (DP15). After the year-end, the Company announced it has satisfied all requirements through a payment of £1.12 million for Sankalp and no payment owing for Jodhana.

The remaining balance of £8.48 million is no longer required to be held in reserve.

Post year-end, in September 2009, the Company announced that Pipavav Shipyard Limited (EH9) submitted its Red Herring Prospectus for the issue of 85,450,225 equity shares, which constitutes 12.83% of the post-issue equity share capital of the company. The price band for the IPO has been fixed at INR 55-60 per share. The IPO was oversubscribed by over eight times. Trikona TC invested in January 2007 at 25 INR per share and this gives a substantial uplift in comparison with the valuation as of 31 March 2009 of 47 INR per share.

Market Overview

The Indian economy registered strong growth averaging 8.9% during the period from 2003 to 2008. This began to only moderate in September 2008, following the growing global distress among large international financial institutions and the declaration of bankruptcy by Lehman Brothers. As credit markets froze, central banks across the world, along with the respective governments, responded with both conventional and unconventional measures. The knock-on effect of these unprecedented adverse global developments became evident in the macroeconomic performance of the Indian economy, particularly in the second half of the year.

GDP growth slowed to 5.8% in the third quarter of the financial year against 7.7% in the previous two quarters, reflecting a deceleration in industrial and services growth; a moderation of consumption growth led by high interest rates and credit curbs and a sudden widening of trade deficit. While financial markets remained relatively orderly during the first quarter of the financial year, equity markets also experienced a sharp decline in value, and the real estate sector was not spared, with many real estate companies carrying higher than normal debt on their balance sheets. A period of sustained fiscal consolidation brought about by government’s compliance with milestones of the Fiscal Responsibility and Budget Management (FRBM) Act came to an end in 2008. The rapid deterioration in the global economy resulted in inflation surging during the early part of the year and since then several measures have been taken by the Reserve Bank of India (RBI) including cuts in cash reserve

Investment Manager's Report (cont.)

ratio and unwinding/de-sequestering of balances held by the Government with the Reserve Bank. Post period end, the government's efforts have resulted in head line inflation in negative territory and estimated longer-term GDP growth returning to levels of 7-8% with an expected 6.5% GDP growth rate in the full-year of 2010.

Concerns of macroeconomic risk loom over India due to almost certain lower agricultural output and the resultant inflation in food prices.

The May 2009 election outcome led the way for a stable and progressive political regime, unfettered by the consensus required from smaller regional parties. The new Government in its budget for the year 2009 - 2010 continued from the Stimulus policies where focus was on increasing public spending and signalling across the board tax cuts on individual's and corporate income to give impetus to investment growth and consumption. The spending measures on 'Infrastructure' and 'Rural Spend' focused on 'Inclusive Growth'. Essentially three broad challenges were addressed: 1) Rapid return to high growth rates 2) Ensure Inclusive growth 3) Reenergize Government by focusing on 'Execution of policies and reforms'. In line with the announcements a new Direct tax-code has been introduced.

Post the measures taken by RBI and the Government of India, Indian capital markets have performed remarkably well and ahead of most emerging markets with reduced risk and volatility. In the quarter ending June 2009, FII's were net buyers of US\$8.3 billion having previously sold of US\$15 billion in the full year 2009. In most cases Indian equity markets have outperformed emerging markets and other developed countries due to the perception of political stability and higher than expected GDP growth. A few developers have sold stakes and raised capital from the equity markets, thereby restructuring their debt and improving cash flows for their projects.

Further, several lead indicators to the IIP (Index of Industrial Production), which had started falling, rapidly responding to global cues since June 2008, are now firming into a reversed trend. Soft interest rates and availability of funds have supported domestic industrial activity. The IIP, for July 2009, rose 6.8% year-on-year, up from 6.4% a year back.

Real Estate view

The Indian real estate markets saw a sharp correction with a decline in property prices, demand and transaction volumes between September 2008 and April 2009. The Indian real estate market which saw a 45% CAGR growth over FY2005-2008, experienced a decline of almost 30% on the new base post the global market fallout in September 2008. The softness in demand led to price cuts, a reallocation of resources by developers to affordable housing programs, execution of commercial projects, and postponement of new projects. This was followed by a slew of new and realigned project developments catering to the affordable housing markets. The recent analyses of sales patterns across India vindicate the change in strategy of the developers. Sales have been brisk and developers with a good execution record have been able to sell 2 year forward deliveries, as their existing inventories get exhausted. Developers, in order to cash in on the demand for new housing, exited non-performing large projects, restructured their portfolio mix, and significantly reduced prices to suit the 'buyers' expectation.

Another significant reason for demand revival was the easing of housing loan interest rates, which decreased from 13-14% at the end of 2008 to 8-10% in April of 2009. The Government also announced an interest rate subsidy of one percent for housing loans up to INR 1 million. These lower interest rates, combined with the announced 15-25% price reduction across the residential, commercial and retail markets, are steadily helping the demand recovery in the system.

Valuation of Property Portfolio

CB Richard Ellis (CBRE) conducted an independent valuation of the development properties in which Trikona Trinity Capital holds full or partial ownership interest. Thereafter, the Board of Directors fair valued the assets using valuation procedures and techniques, which were validated based on certain agreed upon procedures by Protiviti, an independent firm of advisors.

Additionally unlisted equity securities that amount to £57.3 million have been valued by directors using valuation procedures and techniques, which were

validated based on certain agreed upon procedures by Protiviti. Further, listed equity securities that amount to £9.1 million have been fair-valued using the trading data on the Stock Exchange as on 31 March 2009.

Based on this assessment, the Directors' valuation of Trikona Trinity Capital's total investments, including cash and entity level shareholdings, produced a NAV of £261.3 m of £1.13 per share at 31 March 2009, representing a change of minus 25% year-on-year.

In all previous financial statements, the Manager and Board have presented Cost of Equity (COE) as a single number, which includes a uniform construction risk premium of between 1.5% and 2.5% across all projects. In the year to 31 March 2007, this combined figure was 13.29% and for the year to 31 March 2008, this figure was 15.54%.

In this report, the COE is comprised of two numbers a base rate, assumed as 15.77% and a project-by-project risk premium ranging from 2.5% to 10% added to the base rate, and which is based on agreed upon procedures between Protiviti and the Company. This represents a significant increase in

the COE when compared with prior year accounts and reflects a higher degree of conservatism. On a constant risk basis, taking the traditional construction risk premium of 1.5% to 2.5%, the NAV per share would be £1.24 per share as at 31 March 2009, compared with £1.13 per share as reported at 31 March 2009.

Realisation of Assets

In accordance with the Investment Policy adopted at the Company EGM on 24 March 2009, the Manager is committed to maximising shareholder value by disposing of existing assets in an orderly fashion with due regard to all applicable legal, governmental and regulatory restraints.

Outlook

Our role as Manager remains to seek suitable exit opportunities, and source attractive deals through our partnerships, networks, and broad expertise in India. Our team is committed to achieving value for all shareholders and will strive to seek transactions that attain a fair asset value in light of the prevailing global and local conditions at that time.

Trikona Trinity Capital's Track Record

As at 31 March 2009

£ million	Capital Invested £ million	Cash Distributions/Value of Unrealized Investments £ million	Investment Multiple	Gross IRR
Total Realized	40.7	86.2	2.12	97%
Total Unrealized	196.8	216.4	1.10	6%
Total Weighted Average	237.4	302.6	1.27	22%

Important Notes:

- (1) Exchange rate as at 31 March 2009
- (2) Defined as cash distributed to fund investors or re-invested.
- (4) Multiples are on a gross basis, before deducting carried interest and expenses, including management fees.
- (5) Gross IRR reflects return before deducting carried interest and expenses, including management fees.

Development Project Update

DP₁

Project Name	Uppal IT Park (Tech Oasis)
Address	Tz-7, Information Technology Park, TechZone, Greater Noida, Uttar Pradesh, India
Asset Classes	IT/ITES SEZ with Residential, Commercial & IT
Saleable Area	10.16 million sq. ft. on 76 acres
Partner	Panthera Developers (Promoter)
Indian SPV	Uppal IT Projects Private Limited (Company)
Mauritian SPV	Trinity Capital (One) Limited (TC-1)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	28.7	36%	1.53
Date of investment	October 2006		
	October 2009**		
Cost of equity	25.77%		
	(COE base [†] rate + 10% execution risk)		
Scheduled exit	July 2016		
Total capital committed	£28.9 million		
18 October 2006	£7.5 million**		
Total capital invested	£36.4 million		
Cash realized	£26.72 million from sale to SF		
Trikona TC's ownership in the Mauritian SPV	67%		
Mauritian SPV's ownership in DP ₁	100%		

** mezzanine investment.

Project Summary

Located in the National Capital Region (NCR) of Delhi, Greater Noida represents one of the fastest growing emerging townships of Uttar Pradesh. The township is spread over 36,000 hectares, supports a population of over 500,000 people and is expected to more than double by 2021.

Designated 'Tech Zone' by the government of Uttar Pradesh, the plot is diagonally opposite the recently built Gautam Buddha University, which is spread over 800 acres and houses a campus hosting residential facilities for 6000 students. The original investment thesis considered both independent development and the use of an outside partner by Joint Development Agreement ('JDA') partners.

The project has been formally approved as an SEZ by the Government of India and is in the process of being notified by the state government. The master plan for the property has been finalized, but may require reworking. The agreement with the co-developer is in its late stages, with the detailed building drawings/excavation work commencing shortly. With enhanced FSI under the revised guidelines, completion is expected by July 2016.

Key future milestones

- The project value should increase upon the execution of a Joint Development Agreement (JDA) with an external development partner.

- Phase I involves developing approximately one million sq. ft. of IT/ITeS, residential and hotel space and is expected to complete in approximately two years.

Significant developments post March year-end

- Environmental clearance for the project has been received from the authorities.
- Approval has been received from the air force authorities providing clearance for a 190.75 meter high structure. Earlier, the airport authorities granted the same approval.
- GNIDA approved the master plan for the project.
- The timeline as stipulated in the lease deed from GNIDA, for Phase I has been extended.

Sale Rate Assumption

Based on CBRE assumptions, the sale rate for Residential is assumed to be INR 2,450 per sq. ft. while comparable projects in the vicinity are quoting between INR 1,700 to INR 3,300 per sq. ft. Lease rate for IT is assumed to be INR 30 per sq. ft. per month while comparable projects are quoting INR 28 to INR 35 per sq. ft. per month. Lease rate for Commercial space is assumed to be INR 35 per sq. ft. per month while comparable projects are quoting INR 50 to INR 150 per month.

FDI guidelines (project specific)

As state level SEZ notification is under process, the project is governed by guidelines as stipulated under Press Note 2 issued by the DIPP (Department of Industrial Policy and Promotion).

Quoting from Press Note 2 of the 2005 series:

Original investment cannot be repatriated before a period of 3 years from completion of minimum capitalization (US\$10 mn since this is a wholly owned subsidiary). However the investor may be permitted to exit earlier with the prior approval of the Government through the FIPB (Foreign Investment Promotion Board).

The guidelines also stipulate that "at least 50% of the project must be developed within a period of 5 years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots."

Realization through stake sale to SachsenFonds

	27 Dec 07	17 June 08
% of Mauritian SPV sold	8	25
TTC's remaining % of Mauritian SPV	92	67
Sale Price (£ million)*	6.48	20.24
IRR at sale (%)	161	101
Multiple (x)	2.87	2.86
To whom	SF I	SF II

*Trikona TC investment of £28.9m, TTC has realized £26.88m through the sale to SF I and SF II.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%

DP2

Project Name	Rustomjee's Township
Address	Rustomjee Urbania, Majiwade, Balkum, Mumbai-Nashik Highway Thane West, Maharashtra
Asset Classes	Residential, Commercial, Retail, Hospitality
Saleable Area	7.2 million sq. ft. on 127 acres
Partner	Keystone Realtors Pvt. Ltd. (Promoter)
Indian SPV	Kapstone Constructions Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Three) Limited (TC-3)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	12.35	7%	1.17
Date of investment	October 2006		
Cost of equity	21.77%		
	(COE base rate [†] + 6% execution risk)		
Scheduled exit	June 2016		
Total capital committed			
23 October 2006	£14.4 million		
Total capital invested	£10.6 million*		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP2	16%		

*The Indian SPV had an option to call for £3.80 million which has been surrendered post March year-end.

Project Summary

Spanning an area of c. 147 sq. km., Thane houses over one million people and contains over 200 km of roadway. As the fastest growing satellite city to Mumbai, Thane's seamless connectivity by road and rail makes it a preferred destination for the middle and upper middle class population working in Mumbai and Thane.

Rustomjee's Township is a planned development of an integrated city spread over 127 acres. At the time of investment in October 2006, the plan was to construct 7.2 million sq. ft. in a phased manner over 7 years. In the last 18 months, the developer and Trikona TC have been working closely to deem the project as the approved town centre. If awarded this status, the construction area could potentially increase to 9.4 million sq. ft.

Master planning for the overall project is complete and the decision regarding town centre approval for the project to obtain enhanced FSI is expected. Phase I is sold out and under construction, whilst phase II is currently in the pre-sales stage. Project debt for both phases has been secured and has been drawn upon as per the schedule agreed with the bank.

Major infrastructure work, such as land levelling, the laying of approach roads, and the re-laying of community water pipelines has been completed. The steel yard and mix plant have been installed at the site to ensure uninterrupted supply of materials and it is anticipated that the construction of a flyover to connect two land segments will be completed by the end of this year. Construction of the superstructure for six buildings and foundation work for another two are in progress.

The project, with enhanced FSI under its township and town centre status, is expected to be completed by June 2017.

Key future milestones

The project value should increase upon receipt of the town centre approval, at which point it is anticipated that development activity will increase and subject to market conditions, the entire project execution program will be put on fast track.

Sale Rate Assumption

The sale rate for Residential is INR 3,960 to INR 4,050 per sq. ft. while comparable projects in the vicinity are quoting between INR 3,150 to INR 5,500 per sq. ft.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP4

Project Name	Lady Ratan Seasons
Address	Plot 1 & 2 (of Lower Parel Division), J.R. Boricha Marg, Mahalaxmi, Mumbai, India
Asset Classes	Residential
Saleable Area	1.25 million sq. ft. on 7 acres (post FSI increase)
Partner	Lokhandwala Group (Promoter)
Indian SPV	Lokhandwala Kataria Constructions Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Five) Limited (TC-5)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	10.73	65%	1.56
Date of investment	October 2006		
Cost of equity	20.77% (COE base rate [†] + 5% execution risk)		
Scheduled exit	July 2013		
Total capital committed			
12 October 2006	£12.6 million		
Total capital invested	£6.3 million		
Cash realized	£4.76 million to SF I**		
Trikona TC's ownership in the Mauritian SPV	59%		
Mauritian SPV's ownership in DP4	27%*		

**This will increase to 49% after funding of balance tranche.

**Of the committed investment of £12.6m, Trikona TC has realized £4.76m through the sale to SF I.

Project Summary

Worli represents one of the most desirable residential locations in South Mumbai. It is home to senior executives, boutique financial services firms, and the self-employed. This prime development area enjoys occupancy levels as high as 85% to 90%.

Lady Ratan Seasons is a redevelopment project under a scheme devised by the Slum Rehabilitation Authority. The value for investors should be enhanced post the relocation of the slum's current tenants away from the saleable area, but within the overall plot and upon commencement of the new building, which is expected in December 2009 as per the revised understanding with the promoters. The three year lock-in also expires by this date and the revised scheduled completion of the project is March 2013.

Consequent to the revised guidelines issued by the authorities, there is a significant increase in both rehabilitation and saleable areas which has led to the rework of designs to accommodate increased construction on the same land area. It is believed that the process will be completed upon fulfilment of the pending committed investment of £ 6.3 million which should be given to the Company for completion of the project. As per the revised terms, the saleable area increased from 0.67 million sq. ft. to 0.85 million sq. ft. in view of the changed Slum Rehabilitation Authority guidelines, which should considerably enhance the total value of the project.

Construction of the balance rehab building is expected to start from October-2009 and that of the sale building is expected to start from January 2010. The project, with enhanced FSI under the revised guidelines, is expected to complete by June 2013.

Key future milestones

The project value is anticipated to increase upon full clean up of the slum area.

In a major positive development for the project, the Slum Rehabilitation Authority revoked the Stop Work Notice on July 3, 2009 acting on the directives of the Home Department and Government of Maharashtra.

Realization through stake sale to SachsenFonds

	27 Dec 07
% of Mauritian SPV sold	41
TTC's remaining % of Mauritian SPV	59
Sale price (£ million)*	4.76
IRR at sale (%)	84
Multiple (x)	2.04
To whom	SF I

*Of the committed investment of £12.6m, TTC has realized £4.76m through the sale to SF I.

Sale Rate Assumption

Based on CBRE assumptions, the sale rate for Residential is assumed at INR 14,000 per sq. ft. while comparable projects in the vicinity are quoting between INR 19,000 to INR 29,000 per sq. ft.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP6

Project Name	DB Hospitality (previously Neelkamal Marine Drive)
Address	South Mumbai (New Marine Lines), Goa (Bambolim), Pune (Nagar Road) and Sahar (near the International Terminal, Mumbai)
Asset Classes	Hospitality
Saleable Area	26.6 acres consolidated across the 4 projects
Partner	Dynamix Balwas Group (Promoter)
Indian SPV	DB Hospitality (Company)
Mauritian SPV	Trinity Capital (Seven) Limited (TC-7)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	11.748	-2%	0.96
Date of investment	15 December 2006		
Cost of equity	18.27%-20.77% (COE base rate [†] + 2.5 to 5% execution risk)		
Scheduled exit	May 2012		
Total capital committed	£12.2 million (15 December 2006 - £5.73m, 31 January 2008 - £6.4m*)		
Total capital invested	£12.13 million*		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP6	9.54%		

*Exchange rate differential at the time of investment

Project Summary

India's growing middle class fuelled by robust economic performance is proving to be a burgeoning audience for the Indian leisure industry. DB Hospitality currently owns an operational five star hotel, Le Meridien, in Mumbai and land under development for three luxury hotels over the next two to three years under the Hyatt Brand. The investments are in the cities of Mumbai, Pune and Goa - which offer higher occupancy rates and higher average room rates.

DB Hospitality offered Trikona TC the opportunity to own a stake in the development and operation of five star hotels, serviced apartments, leased apartments, a prime resort and a hotel with villas in key business and tourist destinations across India. The decision to invest was driven by the fact that DB Group already had two operational hotels and proposed to develop further hotels in Mumbai, Pune and Goa; cities that offer relatively higher occupancy and room rates.

Design work on all the hotels is complete. The civil construction for the Goa hotel is complete and the finishing/interior work is in progress. The Goa hotel is likely to be soft commissioned in March 2010. Pune and Mumbai hotels are planned to be operational by December 2010 and May 2012 respectively.

Key future milestones

The project value should increase upon:

- The planned commissioning of Goa's largest five-star deluxe resort, the Grand Hyatt
- Substantial progress has been made on finalising the design and pre-construction of the shell of the iconic development which shall be the tallest structure in India comprising of a five star deluxe hotel, serviced apartments and a premium retail mall in south Mumbai with an expected completion date of May 2012.

Average Room Rate (ARR) Assumption

Based on CBRE assumptions, the ARR for the Mumbai hotel (under construction) is INR 16,250, Mumbai hotel (operational) is INR 8,750 and average Occupancy Rate is 70%, Goa hotel (under construction) is INR 7,000 and Pune hotel (under construction) is INR 9,000.

Subsequent events post March year-end

DB Hospitality has diversified into providing in-flight catering services to airlines through an entity called 'Conwood Inflight'. It has an agreement with Lufthansa Airlines and Thai Airlines for its catering services. Within India, they currently cater to two Kingfisher Red sectors and propose to increase this to 11 sectors over the next quarter. The Company has also signed a comprehensive exclusive agreement with Japan's JAL Hotels Company Limited which has 59 luxury hotels worldwide, comprising of 829 rooms in Europe, the Middle East, the US and throughout Japan and the Asia Pacific region.

Under this agreement DB will be developing properties bearing the brand DB-Nikko in nine cities in India. It is planned that DB Hospitality invest a total of USD 1 billion over the next four years for the development of hotel projects in the country. The Nikko hotel openings will start from 2010.

Under another agreement with Hyatt Place, DB Hospitality have two hotels under construction - one in Pune and the other in the Mundra SEZ (the only port based SEZ in India). The Hyatt Place hotels are anticipated to be mid-market city hotels located in and around centres of trade activity and business.

As planned, the operational Le Meridien Ahmadabad was inducted into the DB Hospitality portfolio.

Total area constructed and sold (under progress)

Grand Hyatt Goa, 171 rooms and 20,000 sq. ft. of retail space

Park Hyatt Mumbai, 510 mts with 95 storeys, 275 Rooms; 50 serviced apartments and 50 long stay residences and 125, 000 sq. ft. of retail space

Grand Hyatt Pune: 324 rooms

Le Meridien, Mumbai (Operating): 171 rooms

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP10

Project Name	Luxor Cyber City
Address	Village Shikopur, Tehsil Sohna, Gurgaon, Haryana
Asset Classes	IT/ITeS
Saleable Area	8.18 million sq. ft. on 62.6 acres
Partner	Uppal & Luxor Group (Promoter)
Indian SPV	Luxor Cyber City Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Fourteen) Limited (TC-14)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	25.33	-6%	0.91
Date of investment	12 June 2007		
Cost of equity	21.27%		
	(COE base rate [†] + 5.5% execution risk)		
Scheduled exit	December 2014		
Total capital committed	£38.4 million		
Total capital invested	£38.4 million		
Cash realized	£9.42 million to SF II		
Trikona TC's ownership in the Mauritian SPV	85%		
Mauritian SPV's ownership in DP10	49.38%*		

Project Summary

Luxor Cyber City is a planned 63 acre development of an IT/ITeS SEZ in Gurgaon, the second largest IT/ITeS destination in India. It is also among the first few Special Economic Zones declared in the National Capital Region, enabling it to take advantage of the fact that over 8,000 companies may move into an SEZ to retain the tax-free status they may lose in the future.

The partners in the project intend to trifurcate the land and carry on their own proportionate developments. TC-14 has recently acquired a 99.99% stake in Nirmaan Buildwell Pvt. Ltd which should become the co-developer of the SEZ for TC-14's share of the land, and the Trikona TC Board has approved the £10.5 million required for completion which is to be drawn in tranches as per the requirements of the project.

The earlier plan was for the partners to jointly develop the land alongside a reputed co-developer. Despite efforts by Trikona TC, the final offer from a leading international developer was not considered to be in the best interest of all parties. Hence, it is planned that Trikona TC's portion of the land will be developed on a standalone basis.

The master plan for the entire property has been prepared and has been sent to the authorities for approval. The government has decided to lay a new road running through the property which should significantly improve access to our site. It is anticipated that construction activity will start on the approval of the master plan and execution of the trifurcation agreement.

The project is expected to complete by September 2016.

Key future milestones

The project value should increase upon approval by the SEZ authorities of Nirmaan Buildwell Pvt. Ltd. as the co-developer, and post the development of phase I, which comprises 900,000 sq. ft. out of a total of 3.3 million sq. ft. and is due over the next 24 months.

Subsequent events post March year-end

Cash for completion of £10.5 million, as approved by the Board is yet to be released.

The Board of LCC has approved the trifurcation process and accordingly it has been agreed that the TC-14 portion of the property will be developed on a standalone basis by a company nominated by TC-14.

The Master Plan for the entire property has been prepared and submitted to HUDA for approval.

Sale Rate Assumption

Based on CBRE assumptions, the lease rate has been assumed at INR 36 per sq. ft. per month while comparable projects in the vicinity are quoting between INR 35 to INR 50 per sq. ft. per month.

FDI guidelines (project specific)

Being a notified SEZ this project is governed by the SEZ Act 2005.

Realization through stake sale to SachsenFonds

	17 June 08
% of Mauritian SPV sold	15
TTC's remaining % of Mauritian SPV	85
Sale Price (£ million)*	9.42
IRR at sale (%)	63
Multiple (x)	1.64
To whom	SF II

*Of the committed investment of £38.4m, TTC has realized £9.42m through the sale to SF II.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP11

Project Name	Dynamix Balwas Realty (DB Realty)
Address	Projects in Mumbai and Pune, Maharashtra
Asset Classes	Residential, Commercial, Retail and Hospitality
Saleable Area	39.93 million sq. ft.
Partner	Dynamix Balwas Group (Promoter)
Indian SPV	DB Realty (Company)
Mauritian SPV	Trinity Capital (Eleven) Limited (TC-11)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	46.17	36%	1.75
Date of investment	23 April 2007		
Cost of equity	20.77%		
	(COE base rate [†] + 5% execution risk)		
Scheduled exit	March 2014		
Total capital committed	£26.4 million		
Total capital invested	£26.4 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP11	5.92%		

Project Summary

Dynamix Balwas Realty (DB Realty), promoted by Dynamix Balwas Group, is a US\$2 billion conglomerate with a 25 year track record in real estate development. Designed as a holding company with the specific purpose of undertaking development rights based or joint ventures (JVs)/special purpose vehicles (SPVs) based projects in Mumbai, it is now well known for its strong residential portfolio and capabilities in developing different asset types.

The group's portfolio of 20 projects is located in prime areas of Mumbai and Pune and will result in 39.93 million sq. ft. of residential, commercial, retail and urban rejuvenation space.

Following successful investments in DB Hospitality and MK Malls, the Manager was presented with several interesting projects by the Dynamix Balwas Group (DB) and jointly created DB Realty as a holding company of development rights in JVs and SPVs. Based on an investment philosophy of focussing on redevelopment projects, the DB Group operates by clearing tenanted properties where they compensate existing tenants and redevelop the land. The group targets projects in populated areas where land availability is scarce. Strong execution skills complement DB Realty's business philosophy, and have given the group a competitive advantage as it redefines the landscape of Mumbai through the development of about 40 million sq. ft. of land.

Trikona TC's investment of £26.4 million concluded simultaneously with Lehman Brothers' and IIML's investment for the same amount and stake holding. DB subsequently added eight more projects in the SPV without any additional equity infusion by investors.

Key future milestones

The project value should increase upon the completion of the high-end residential projects in Goregaon and Kandivili and Dahisar which are planned to be constructed over the next 18 months. Progress on the Mahul project, involving development of 8.8 million sq. ft. in one location should also add considerable value.

The IPO registration process for this company is underway. Once priced, the Company should see better valuation and liquidity for this investment.

Subsequent events post March year-end

The project value should increase upon:

- The Dahisar Retail Mall has been repositioned and re-launched as a residential project comprising of 3300 affordable homes of which 2077 have been pre-sold.
- The Kandivali project was launched in the last quarter and approximately 70% (393 out of 543) of total flats were sold.
- The developer plans to launch four more projects this year in addition to six projects already under construction out of the total 20 projects.
- In addition 3 new projects have been added to the portfolio – two in Mumbai and one in Pune. This takes the total number of projects in the portfolio to 23.
- The Board of DB Realty has approved the IPO process to be initiated.

Sale Rate Assumption

The average realisation to date from the Mahul project has been INR 2154 per sq. ft. The average sale rate for Gokuldhham is INR 7,483 per sq. ft. and for Kandivali Suburbia is INR 5,863 per sq. ft., while for the Dahisar project it is INR 2,972 per sq. ft.

State of planning, physical progress and completion *Total area constructed and sold (under progress)*

Mahul

25 out of 65 buildings have been constructed. This project will ultimately rehabilitate Project Affected People (PAP) in Mumbai. The project generates Transferable Development Rights (TDR) in lieu of constructed space handed over to the Government. On completion, this project is anticipated to generate 8.8 million sq. ft. of TDR – of this, 3.3 million sq. ft. has already been generated.

Gokuldhham

480, 365 sq. ft. of high-end residential space pre-sold, out of 1.1 million sq. ft. planned to be built.

Kandivali Suburbia

227, 098 sq. ft. of affordable residential space pre-sold.

Dahisar

2077 of 3,300 affordable homes have been pre-sold.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP13

Project Name	MIG Group IV
Address	MIG Group-IV, Gandhi Nagar, Bandra East, Mumbai - 400051, Mumbai
Asset Classes	Urban Rejuvenation, Residential
Saleable Area	267, 370 sq. ft. and rehabilitation 330, 000 sq. ft.
Partner	Keystone Realtors Pvt. Ltd. (Promoter)
Indian SPV	Rustomjee Constructions Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Fifteen) Ltd. (TC-15)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	1.48	-11%	0.91
Date of investment	May 2008		
Cost of equity	21.27%		
	(COE base rate [†] + 5.5% execution risk)		
Scheduled exit	September 2009		
Total capital committed	£20.5 million		
Total capital invested	£3.79 million*		
Trikona TC's ownership in the Mauritian SPV	45%		
Mauritian SPV's ownership in DP13	49%		

*The investment was intended to be made in 4 tranches as envisaged in the business plan.

Project Summary

The site is in close proximity to the Secondary Business District (SBD) of Mumbai known as the Bandra Kurla Complex (BKC), which is fast outgrowing the traditional/preferred Central Business District (CBD) of Nariman Point. As more corporate offices are moving into BKC, there is an increasing demand for quality residential real estate space in the adjoining areas.

The MIG colony in Bandra East is divided into six groups – Group I to VI. All the groups are at varying stages of negotiations for redevelopment. The proposed redevelopment project will see a complete renewal of the neighbourhood as the program will involve adding of new community facilities in addition to high-rise housing. The project will encompass 598,133 sq. ft. of which 330,763 sq. ft. will be used for rehabilitating the existing society members and 267,370 sq. ft. will be available to the project SPV for sale at the market value.

It is envisaged that the development will comprise of high-end residential condominiums under the MHADA redevelopment scheme in a prime location of Bandra East. Of the total committed investment of INR 1625 million, an initial investment of INR 300 million was made in May 2008, held by Trikona TC and SF (45:55 respectively).

In view of Trikona TC's new investment policy, a resolution was passed at the TC-15 level between itself and SF to review the transaction in March 2009. Trikona Capital Group commenced negotiations with the development partner (Keystone Group) in April 2009 to unwind the transaction. The FEMA consultant and legal counsel are currently working on this.

The process has freed up the committed investment such steps are being taken for making an application to FIPB seeking an earlier repatriation of INR 300 million (£3.89 m) as the invested amount is locked in for 3 years. Upon approval TCM will receive back 45% of the invested amount less the cost of winding the transactions out of the disbursed amount subject to RBI/FIPB approvals.

State of planning, physical progress and completion

Due to market conditions, the Manager asked the developer to renegotiate terms with the MIG Housing Society. A revised proposal with the corpus modified down from INR 1,120 million to INR 600 million was presented to the MIG Housing Society and negotiations are underway.

Since there was a request from Trikona TC to generate extra cash, the Manager has initiated the process of unwinding this investment with permission from SF and the local developer; a resolution to this effect was passed in Mauritius. The IRR would have been in excess of 28% if the project was implemented as per the proposed renegotiated program.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

DP14

Project Name	Sankalp Township
Address	Pipavav, District Amreli, Gujarat
Asset Classes	Township - Residential, Commercial, Retail, Hospitality and Healthcare
Saleable Area	6,622,166 sq. ft. (Residential Plots and Low Rise Apartments); 877, 600 sq. ft. (Hotel and Retail) and 239, 176 sq. ft. (other Amenities) over 217 acres
Partner	Panthera Developers Private Ltd.
Indian SPV	Sankalp Buildwell Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Fourteen) Limited (TC-14)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	2.2	-65%	0.65
Date of investment	October 2008		
Cost of equity	21.77% (COE base rate [†] + 6% execution risk)		
Scheduled exit	June 2014		
Total capital committed	£3.1 million*		
Total capital invested	£3.1 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP14	31.6%		

*The with an option to invest additional £ 1.4 million

**Voting Rights on the 31.6% and economic benefits on 61.84% post the second amendment agreement. The balance commitment has been cancelled.

Project Summary

The Sankalp project in Pipavav, Gujarat, is an integrated township project spread over 217 acres, adjacent to one of the fastest growing ports and industrial towns in India. The project will cater to the demand for housing generated by the large blue collar and engineering workforce employed by the already operational port, shipyard and cement plant.

The area around the project site has witnessed tremendous industrial growth, while the local infrastructure and available residential facilities have not been able to keep pace. Sankalp is positioned to capture the local demand for residential and commercial space driven by this industrial development.

Plans for the township offer all the necessary amenities including a school, hospital, hotels and commercial and retail space in one area. Construction activity in phase I to develop 100 acres should commence in October 2009. Sankalp has signed a MoU to construct 252 (0.25 million sq. ft.) flats for shipyard staff as per the specifications provided by Pipavav Shipyard Limited. Currently, this workforce commutes to and from work for a minimum duration of one to two hours [each way/per day], whereas the Sankalp Township project is located only 15 kms from the shipyard and port.

Key future milestones

The project is expected to be completed in approximately 6 years. The project value is anticipated to increase on the delivery of the first 252 residential apartments to Pipavav Shipyard Limited, which is expected within the next two years.

Update since March 2009

The Master Plan for the township has been approved by the Town Planning Authority.

State of planning, physical progress and completion

- The topographical survey of the project land along with detailed site and layout analysis has been completed and the Environmental Impact Assessment survey is underway.
- The master plan for the proposed township has been finalized and submitted to the Town Planning Authority for approval. This has now been approved.
- Detailed building design and cost estimates are being reviewed for the proposed 252 apartments forming part of phase I of the project.
- The project engineer has been appointed alongside architectural, structural and MEP design consultants. Design of 252 apartments offered to Pipavav Shipyard Limited has been completed.
- In January 2009, the developer and Company entered into a Memorandum of Understanding with the Gujarat Maritime Board (GMB), wherein the Government of Gujarat (GoG) and the GMB will co-operate to establish, develop and implement this project.
- Land development activity is in progress. Tenders for construction of 252 apartments are being floated. Construction activity is expected to start from October 2009.
- Completion is anticipated to be in March 2021.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%

DP15

Project Name	Jodhana Developers
Address	Umaid Bhawan Palace Precincts, District Jodhpur, Rajasthan
Asset Classes	Residential Villas and Commercial development including Handicrafts space
Saleable Area	1,176,120 sq ft (residential villas) and 313,632 sq ft (commercial space)
Partner	Panthera Developers Private
Indian SPV	Jodhana Developers Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Seventeen) Limited (TC-17)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	8.26	112%	1.36
Date of investment	1 October 2008		
Cost of equity	20.77% (COE base rate [†] + 5% execution risk)		
Scheduled exit	September 2013		
Total capital committed	£11.9 million		
Total capital invested	£5.6 million*		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP17	48%		

*The balance commitment has been cancelled through an amendment agreement.

Project Summary

The project comprises the development of 19 acres of commercial area and 9.7 acres of high-end residential villas located within the precincts of the Umaid Bhawan Palace.

Umaid Bhawan Palace precincts are in prime locations of Jodhpur, the second largest commercial city of Rajasthan. It hosts India's largest handicrafts export market and is a gateway to the deserts of Jaisalmer and Barmer and is also an important tourist destination of India. The targeted clientele for the proposed handicrafts, commercial and retail portion of the project are the successful businessmen of the city. They are currently operating across the city due to a lack of any planned development offering quality retail space. For residential developments, the target market is the rich local and non-resident Marwari diaspora (people originally from Marwar) dispersed across India and abroad who are keen to have a luxury residence in the capital city of the Marwari Kingdom.

Key future milestones

The project value should increase upon the commissioning of the handicrafts hub and presales of villas. It is anticipated that work shall commence shortly.

Subsequent events post March year-end

TTC's liability to fund the portion of SF's commitment has been extinguished through an amendment agreement signed between the project company and TTC announced in May 2009.

State of planning, physical progress and completion

The project comprises of residential and commercial developments on two land parcels. The Company has appointed JLLS (Jones Lang La Salle) to carry out the "best use" study to decide on the exact mix of commercial components on the 19 acres. The report was received in the month of July 2009. Based on the recommendations from JLLS, the planning and design process should start for the commercial segment of 19 acres. The 9.68 acres of residential space is already part of a well laid-out township of Umaid Bhawan Heritage. Designs and specifications for three specimen villas are being finalized. Project completion is expected by January 2014.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54% .

DP16

Project Name	Virar Township
Address	Survey Nos. 5, Village Dongare (Dongar Pada) (Village Narangi), Sub-District of Vasai, District Thane, India
Asset Classes	Residential, Commercial, High Street Retail and Retail Mall
Saleable Area	12.4 million sq. ft.
Partner	Keystone Realtors Pvt. Ltd. (Promoter)
Indian SPV	Enigma Constructions Pvt. Ltd. (Company)
Mauritian SPV	Trinity Capital (Eighteen) Limited (TC-18)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	5.55	-5%	0.98
Date of investment	October 2008		
Cost of equity	21.77% (COE base rate [†] + 6% execution risk)		
Scheduled exit	September 2016		
Total capital committed	£10.82 million		
Total capital invested	£5.09 million*		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP13	23.03%		

*The balance commitment has been cancelled through an amendment agreement.

Project Summary

Spread over 217 acres, this project is one of Mumbai's largest affordable middle-income group housing projects.

The informal launch has registered pre-sales of almost 30%. This now makes the project a market leader in terms of size in the Virar micro-market.

At the time of investment, the project had all approvals and permissions in place. Subsequent to Trikona TC's investment, there was a beneficial change in the size of the project (from 43 acres to 217 acres) without any additional investment. This project is now structured as a joint venture with the landowner, and construction is proceeding according to schedule.

Key future milestones

The formal launch of 1 million sq. ft. is expected late in 2009.

Subsequent events post March year-end

As part of the re-worked strategy, the land cost has been reworked to INR 338 per sq. ft. from INR 905 per sq. ft. by undertaking the development of the entire 217 acres (43 acres earlier) through a JV with the land owners (without any additional equity investment from TCM). This has brought down the land cost per sq. ft. saleable area from INR 905 to INR 338, (-63%).

The construction cost also has been reduced from INR 1140 per sq. ft. to INR 950 per sq. ft. through value engineering. This has enabled the developer to reduce the sale price across all products. In the two months following the change in price, the developer sold an additional 1500 flats.

As of August end, a total of 2070 flats out of 2,378 have been sold. Prices have been increased twice since May 2009 approximately 10-12% each time. The average sale price is INR 1800.

State of planning, physical progress and completion

Master planning for the entire site is complete. Detailed designs for all buildings in the project have been completed and initial approvals in the form of Intimation of Disapproval (IoD) have been obtained. Foundation work for 15 buildings is in progress. The compound wall for the entire site has been constructed. Internal roads are being laid. Construction of an eight acre amusement park is advancing as per the plan. The first set of buildings is expected to be handed over to buyers by July 2010.

The project is expected to complete by March 2025. (previously 2011 – extended due to an increase in land area). Cost for completion per sq. ft. is down due to value engineering, with construction costs down to INR 950 per sq. ft. from INR 1,140 per sq. ft.

Sale Rate Assumption

Based on CBRE assumptions, the sale rate for Residential is INR 1,800 to INR 1,900 per sq. ft. while comparable projects in the vicinity are quoting between INR 1,800 to INR 2,491 per sq. ft.

[†]COE base rate for the cost of equity in March 2009 is 15.77%. In the past, the Cost of Equity number has been presented as a single number and included a uniform risk premium between 1.5% and 2.5% across all projects. In this report the risk premium has been set on project by project basis as shown above and added to the base rate to arrive at the COE for the project.

In Sept '08 a single cost of equity rate of 16.55% was applied across all projects (14.55% base rate and 2% execution risk premium). Historically the final COE rate has been even lower: March '07 = 13.29%, Sept '07 = 12.88%, and March '08 = 15.54%.

Equity Holdings

EH7

Project Name	Fortis Healthcare Limited		
Location	Pan India		
Asset Classes	Infrastructure		
Partner	Ranbaxy Group		
Mauritian SPV	Trinity Capital (Eight) Limited (TC-8)		
Type	Healthcare facilities, hospitals		
Percentage held	3.5%		
Type	Public		
Exchange	Bombay Stock Exchange		
Ticker [BSE]	FORTIS		
Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	7.4	-25%	0.55
Date of investment	15 January 2007		
Scheduled exit	September 2010		
Total capital committed	£13.5 million		
Total capital invested	£13.5 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in EH7	100%		

Project Summary

Fortis Healthcare Limited was established in 1996 by the promoters of Ranbaxy Laboratories. Fortis Healthcare has a network of 16 hospitals and 12 satellite centres with 2,500 operational beds and an existing capacity of 3,000 beds.

Fortis recently acquired 10 marquee hospitals of Wockhardt with a capacity of 1,902 beds, taking Fortis's total bed capacity to approximately 5000. The hospitals include multi-specialty and super-specialty centres, providing healthcare to patients in cardiac care, orthopaedics, neurosciences, oncology, renal care, gastroenterology and mother and child care. Fortis has charted aggressive plans for setting up around 40 hospitals with approximately 6000 beds in India. Currently the company's two Greenfield projects are under construction and will add around 600 beds by 2011.

The healthcare services market in India is expected to grow from Rs1,513 billion in 2007 to Rs2,654 billion by 2012 (Source: India Healthcare Trends 2008, Technopak Advisors). According to the World Health Organisation (WHO), India healthcare spending is very low. In 2004, it was US\$34.9bn, or 5.2% of GDP and government spending was a meager 1.2% of the GDP. With the economy growing and incomes rising, healthcare spending is expected to rise to 5.5% of GDP (US\$60.9bn) by 2012. Private healthcare spending is likely to contribute the largest component in 2012, rising to Rs1,560 billion from the current level of Rs690 billion.

Over the last 4 years, Fortis Healthcare added 21 hospitals to its bouquet through acquisitions. In Jan 2009, International Hospital Ltd (IHL), its 100% subsidiary, acquired 28.89% interest in Medical and Surgical Centre (MSCL), a company listed in Mauritius that owns the 120-bed Fortis Clinique Darné Hospital in Mauritius for Rs155 million. In Feb 2009, IHL increased its equity interest in Lalitha Healthcare

Private Ltd (LHPL), which owns the Fortis Hospital Seshadripuram in Bangalore, to 67.23% for Rs52 million. The same month, it added Fortis Modi Hospital Kota, a 100-bed facility to its O&M hospital network taking the count to five with around 500 operating beds. In August 2009, Fortis acquired 10 key hospitals of Wockhardt hospitals with 1,902 beds.

Key future milestones

Fortis plans to double bed capacity by 2012 - The company is looking to penetrate markets in west and south India. It also plans to increase bed capacity to 6,000 by 2012 from the current capacity of 4,000 beds.

Deal between Fortis and Apollo - The company has taken over the operational and managerial control of the Apollo Modi Hospital in Kota city (state of Rajasthan) to provide superior healthcare services in the region.

Separate entity for Escorts Heart Institutes - The company is growing its flagship cardiac hospital brand 'Escorts Heart Institutes' as a separate entity within its newly acquired hospitals.

Subsequent events post March year-end

May 2009, Fortis completed the acquisition of Apollo RM Hospital in Bangalore.

June 2009, Fortis took the management control of SL Raheja Hospital in Mumbai. The 200 bed S L Raheja Hospital is one of the affordable destinations in Mumbai city for cancer and diabetes patients.

June 2009, Fortis reported positive Q1-FY10 top line growth. Fortis Healthcare's revenues increased 33% Y-o-Y to INR 1.85bn. Operating margins improved by 500bps to 15.1%.

August 2009, Fortis announced a rights issue at INR 110 per share in August'09: Fortis Healthcare announced the terms of an INR 10bn rights issue. The rights issue will result in a dilution of 40%. Since the Company has not applied for the rights issue post the successful allotment, the company shareholding will reduce from 3.5% to 2.5%. The company intends to use the capital for the repayment of part debt payment of INR 1.7bn, redemption of preference capital of INR 2.6bn, 2bn for part funding of its upcoming 350 bed facility at Gurgaon and funding of Shalimar Bag facility.

August 2009, Fortis acquired Wockhardt, representing the largest acquisition in Indian Healthcare space. Fortis announced the acquisition of 10 Wockhardt Hospitals across Mumbai, Kolkata, and Bengaluru with a total bed capacity of 1,902 beds for INR 9.1Bn. The acquisition comprises of 8 operational hospitals with a capacity of 1,386 beds (856 operational beds) and 2 hospitals under construction which will add another 534 beds.

Financials

March Y/E (MN)	2008	2009
Revenue	5071	6307
Y/Y Revenue growth	-2.4%	24.4%
EBITDA margins	4.1%	13.6%
EPS	(2.45)	0.9
P/E (x)		111x
EV/EBITDA	127.2	31.1
RoE	(5.8)	1.9

Source: Company reports

EH8

Project Name	Pipavav Shipyard
Address	Pipavav Shipyard, Post Ucchayi, Via Rajula, District Amreli, Gujarat
Asset Classes	Infrastructure (Shipyard)
Partner	SKIL Group (Promoter)
Indian SPV	Pipavav Shipyard Limited (Company)
Mauritian SPV	Trinity Capital (Nine) Limited (TC-9)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	29.67	44%	2.19
Date of investment	23 January 2007		
Scheduled exit	September 2010		
Total capital committed	£13.5 million		
Total capital invested	£13.5 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in EH8	7.91%		

Project Summary

The International Maritime Organization's decision to either scrap all single hull structure oil tankers or convert them into double hull structures by 2010 has revived interest in the shipbuilding sector across the globe, reinvigorating a USD250 billion market. This global revival has translated into renewed interest in the Indian shipbuilding market and has led to an increase in the order book from about INR 15 billion in 2002 to over INR 100 billion today.

The Pipavav port started operations in 1996 primarily to cater to the refrigerated cargo market of Veraval but has over the years developed into a port handling cargo from various nearby and north/west India locations. It is the first private sector port in India controlled and operated by the A. P. Moller Group (Maersk) of Denmark - one of the largest maritime groups in the world. It has been commercially operational for the last six years and has state of the art handling equipment, road networks and railroad connectivity, thus offering the necessary logistical support to the shipyard.

The Pipavav Shipyard is expected to be largest shipyard in India, with the capacity to build and repair vessels of up to 400,000 DWT. The shipyard has an all-weather marine enclave and one of the shortest approach channels, allowing for easy ship movement and faster turnaround time.

The project is spread over 210 acres and is poised to become the world's fifth largest shipyard. Upon completion of construction, the shipyard will be capable of ship construction and repairs for a range of vessels of different sizes and types, as well as the fabrication and construction of products such as offshore platforms, oil and gas rigs, jackets and vessels. The shipyard is being constructed on the principle of concurrent shipbuilding, which means that production of vessels can commence simultaneously as the shipyard is built.

Objective and context

SKIL Group has an excellent track record, including but not limited to its implementation of India's first private port, first PPP project for construction of a connecting railway line to the port and pioneering the largest SEZ outside Mumbai in which Reliance Industries, India's largest private sector conglomerate, acquired a controlling stake.

Trikona TC invested at a price of INR 25 per share followed by several PE players such as New York Life and Indus Capital at the same price. Subsequently, Citadel, SemCorp, Standard Chartered Bank's Asian Infrastructure fund invested at INR 45 per share. The last round investors which include Blackstone, Merrill Lynch, Galleon and Deutsche Bank invested at INR 80 per share.

Punj Lloyd, one of India's largest Engineering & Construction contractors joined the company as co-promoters taking a 25.1% stake in the company bringing strategic value through potentially lucrative new business opportunities such as oil rigs and Floating Production, Storage and Offloading (FPSO) vessels.

The promoters are at an advanced stage of obtaining approval for carrying out high end naval defence projects for the shipyard which would insulate the project from cyclical effects of the shipbuilding industry.

Key future milestones

- Project completion date for the shipyard expected around October 2009.
- Delivery of first ship out of the 22 under construction, expected around April 2010 with subsequent deliveries at intervals ranging from 1 to 3 months...The Company expects offshore business of close to INR 2 billion during the current year 2009-2010 based on 15% success rate on a bidding of about INR 13 billion worth of tenders.

Subsequent events post March year-end

- Commercial operations commenced in April 2009 with construction of four vessels,
- Awarded order for 12 OSV-Offshore Supply Vessels amounting US\$ 111.85 million from ONGC-Oil & Natural Gas Corporation.
- The shipyard has commenced commercial operations since April 2009.
- As planned, the company submitted its Red Herring Prospectus (RHP) with SEBI on September 5, 2009 for issue of 85,450,225 Equity Shares. The issue will constitute 12.83% of the post-issue equity share capital of the company.
- The price band for the IPO has been fixed at INR 55/share – INR 60/share.

(continues overleaf)

State of planning, physical progress and completion

Critical development risks have already been mitigated as PSL is in advanced stages of implementation and project completion for the shipyard is expected in October 2009. In the first phase of the project, which is currently under way, one of the existing wet basins (680m x 65m) is being converted into a dry-dock of 661m x 65m. This is capable of being used either as one large dry dock capable of accommodating the largest vessels under construction, or as two separate dry docks, each capable of building one Panama x size vessel. This phase is expected to be commissioned by October 2009.

The dry dock will be serviced by two Goliath cranes, each having a lifting capacity of 600 tonne, and two level luffing cranes. Dewatering systems capable of meeting the requirements of both docks are being installed. To facilitate afloat fit-out and commissioning of ships, including afloat repairs, a 300 meter long quay, with the capacity for berthing on both sides is being

constructed with adequate draft and serviced by a level luffing crane. The entrance of the dry dock will also have a 100 meter extension track for the Goliath cranes for unloading heavy machinery and equipment weighing up to 1200 tonne directly from ships and heavy lift barges. It is planned that phase I of the Company's expansion will be augmented with the addition of a shiplift facility with land berths which will cater to the construction of small to medium sized ships and heavy lift barges, both merchant and defence. This facility can also be used for ship repair. Planning is underway to convert the second dock in to a dry dock.

PSL has executed firm contracts to build twenty two 74,500 DWT Panamax Class bulk carriers with Golden Ocean Group Ltd. Bermuda/Norway, Setaf SAS (Bourbon Groupe, France) and AVGI Maritime, Marshall Islands. PSL's order book currently stands at USD 885 million. These ships will be delivered between Apr 2010-2012. The first two ships are expected to be delivered b Jan-Apr 2010.

EH9

Project Name	ITNL
Address	The IL&FS Financial Centre, Plot C22, G Block Bandra Kurla Complex, Bandra (East), Mumbai
Asset Classes	Infrastructure
Partner	IL&FS (Promoter)
Indian SPV	IL&FS Transportation Networks Ltd (Company)
Mauritian SPV	Trinity Capital (Two) Limited (TC-2)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	5.9	7%	1.17
Date of investment	5 October 2006		
Scheduled exit	June 2010		
Total capital committed	£5.10 million		
Total capital invested	£5.10 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP2	2.50%		

Project Summary

IL&FS Transportation Networks (India) Limited (ITNL) was formed by Infrastructure Leasing and Financial Services Limited (IL&FS) to create a pan-India surface transport business. IL&FS has identified the Transport Sector as an area of focus and represents itself in this sector through ITNL.

ITNL has established itself as a player with significant experience in the development, commissioning and management of road projects and is also developing capabilities in other sub-sectors such as railways, urban transportation systems and logistics.

Trikona TC's investment in ITNL was carried out with the objective of participating in the development of core infrastructure facilities in India.

Trikona TC's investment at INR 100 per share was followed by Goldman Sachs at the same price and Standard Chartered Asian Infrastructure Fund (SCAIF) at INR 133 per share.

ITNL, being promoted by IL&FS, has the unique advantage of being able to enter into 'Memorandum of Understanding's' with various state and central government authorities for large road projects under the PPP (Public Private Partnership) route, against the conventional bid process. ITNL is a dividend paying company and has paid out two rounds of dividends to Trikona TC between 2006 and 2008 totalling INR 12.01 million.

Key future milestones

The forthcoming IPO of one of ITNL's subsidiary companies, in addition to its own, will add significant value to Trikona TC's investment.

Update since May 2009

- ITNL executed the Concession Agreement for the Gomti Beawar project on April 1, 2009 at Delhi. This was probably the last of the projects which were awarded prior to the announcement of the Election Model code of conduct and the first to be awarded by the Ministry of Road Transport and Highways.
- A consortium comprising ITNL Enso Rail Systems (IERS) and DLF is all set to bag the first privately operated metro line project on a

build-and-operate basis in Haryana. The consortium was the sole bidder for the line that would come up in Gurgaon at a cost of about INR 10 bn. IERS, together with affiliates, holds 74 percent while the remaining 26 percent being held by India's leading real estate developer DLF.

- ITNL was declared the preferred bidder for Marketpally Addanki Medarametla Road (SH-2 on BOT (toll) basis) of Andhra Pradesh Road Development Corporation (APRDC). Total length of the project is 213 Kms, with an estimated Total Project Cost of INR 16 bn. Concession Period for the Project is 24 years including the Construction Period of 910 days. ITNL to get a grant amount of INR 4.74 bn for viability gap funding.
- ITNL has bid for 13 domestic projects for Road, Railways and Airport developments and 4 international projects involving outlay of over INR 170 bn/USD 3.4 bn.
- As ITNL was on a holding operation mode as the year of turbulent in terms of economic and financial turmoil caused by the crisis in the international financial sector. Operating revenue of the company remain stagnant at INR 1.3 bn as per unaudited results for 2008-09; however total revenue including other income shown a decline of 9% over previous year. Consequently, Net profit after tax declined to INR 504 m i.e. 35% over previous year. Board of directors have recommended a dividend of 12.5% on equity shares (previous year - 20%) which translates into aggregate dividend of INR 5.35 m for TCM.

As planned ITNL has initiated the process of filing documentation required for an IPO. They are expected to file the Draft Red Herring Prospectus (DRHP) with SEBI (Securities Exchange Board of India) by end of September 2009.

State of planning, physical progress and completion

At present, ITNL has a portfolio of 11 strategically located road projects totalling over 3000 km. Out of the 11 projects, six projects are operational and the remaining five are under implementation. The operational projects cover about 1500 km and are generating revenues either in the form of toll revenues or annuity income from respective state governments. ITNL is a dividend paying company.

Road Infrastructure Development Company of Rajasthan (RIDCOR) is a 50:50 JV between Government of Rajasthan (GoR) and ITNL. Phase I of the project is operational and was conceptualised by the GoR for development of linking roads to increase connectivity between the north and south. It comprises of seven stretches of roads aggregating to a total length of 1053 km at various strategic locations. Phase II of the project is under implementation and comprises of nine stretches with a total length of 1340 km. Due to the performance of RIDCOR on road improvement, the GoR recently awarded three additional road stretches aggregating to a total length of 153 km as a part of phase II.

The Noida Toll Bridge Company Ltd. (NTBC) project is an eight lane, 7.5 km link across the river Yamuna connecting Noida with South Delhi. It is fully operational, with a registered growth rate of over 150% from previous year. Current revenues stand at £9.04 million and has been built-up as per international standards. NTBC is a listed company.

In order to further its transport initiative, ITNL has acquired an 80% stake for INR 80 million in Nagpur Bus Transport System from Vansh Infotech Pvt. Ltd (VIPL). VIPL has been declared as a preferred bidder by Nagpur Municipal Corporation (NMC) for operating its City Bus Service on a Build Own Operate and Transfer (BOOT) basis for 10 years extendable for another five years. The project envisages an acquisition of about 200 buses for operating in city and payment of royalty of INR 3,750-4,000/ USD 75-80 per month per bus to NMC.

EH12

Project Name	Phoenix Mills
Address	Pan India
Asset Classes	Retail, Hospitality and Commercial
Type	Retail led mixed development
Saleable Area	21.4 million sq. ft.
Partner	Phoenix Mills Limited
Indian SPV	Phoenix Mills Limited
Mauritian SPV	Trinity Capital (Thirteen) Limited (TC-13)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	1.72	-56%	0.23
Date of investment	June 2007		
Scheduled exit	June 2010		
Total capital committed	£7.40 million		
Total capital invested	£7.40 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in DP12	100%		

Project Summary

India is one of the ten largest retail markets in the world. With a total turnover of US\$295 billion –its outlay is equivalent to approximately 50% of the total private expenditure on consumption and around one third of the total Indian GDP.

Phoenix Mills Limited is known for its expertise in planning and conceptualising large retail-led, entertainment, commercial and hospitality projects under one project plan and turning them into landmark destinations.

There are three main business verticals in Phoenix Mills, namely; 'The High Street Phoenix Mills' mall, 6 Market Cities, and the liquid Investments and strategic investments in EWDPL, Big Apple and Phoenix Hospitality.

'The High Street Phoenix Mills Ltd' (HSP) consists of 1.6 million sq. ft. excluding the Hotel ShangriLa. The HSP area is divided in 5 phases with phase I (Skyzone) currently fully operational. Much of the existing income is derived from this phase. Some of the existing Anchor tenants occupying space her are Big Bazaar, Lifestyle and Pantaloons. Phase II (Quorum) became fully operational in December 2007. Brands here include Marks and Spencers, Lacoste, Pepe etc. Phase III (Palladium) encloses an area of 300,000 sq. ft. of retail space, and constitutes Grand Galleria, 3 levels of parking, auto mall, spa, food zone. Once Palladium is fully operational, it will generate c. INR 65 million of revenue per month. Phase IV consists of the Shangri La Hotel, and the Standard Chartered area. The hotel buildings will be completed by end of 2010 and will be 44 storeys, consisting of 3 levels of podium parking, high end retail shops, grand galleria, food court and hotel rooms from the 9th to 44th floors. The proposed school will either be operated or maintained by Phoenix or the land will be sold off/leased to a specialized player.

The Six Market Cities are the Kurla mall which will (operational by October 2010), the Chennai mall (operational by October 2010-March 2011), Bangalore's Whitefield (complete it by October 2010), Raipur and Kolkatta have been on hold and the Pune/Ramona mall is in ine development.

Market City	Phoenix Stake
MC Chennai	29.00%
MC Pune	51.00%
MC Kurla	24.26%
MC Bangalore (whitefield)	21.40%
MC Bangalore (GKW)	70.00%
Bangalore (GWK) Residential	70.00%
MC Raipur	33.33%

Key future milestones

Completion of the various malls expected in October 2010 – March 2011.

EH17

Project Name	Horizon Countrywide Logistics
Address	13-14 Khetan Bhavan, 191 Jamshedji Tata Road Churchgate, Mumbai 400020
Asset Classes	Infrastructure
Type	Logistics industry
Partner	SKIL Group (Promoter)
Indian SPV	Horizon Country Wide Logistics Limited (Company)
Mauritian SPV	Trinity Capital (Four) Limited (TC-4)

Date	Nav (£m)	IRR%	Multiple (x)
31 March 09	5.09	-85%	0.45
Date of investment	October 2008		
Scheduled exit	October 2011		
Total capital committed	£11 million		
Total capital invested	£11 million		
Trikona TC's ownership in the Mauritian SPV	100%		
Mauritian SPV's ownership in EH17	27%		

Project Summary

TTC's investment in HCWLL was carried out with the objective of participating in the fast growing Indian Logistics industry with a special focus on port related logistics through development of Container Freight Stations (CFS), Free Trade Warehousing Zones and Inland Container Depots (ICD). HCWLL, promoted by SKIL Group with whom TTC also has an investment in their shipyard project is poised to become one of the prime players in the sector. TTC's investment at INR 29.11 per share was preceded by an investment by Citadel at INR 27.5 per share.

Key future milestones

The project increases in value upon the commencement of operations in the Mumbai CFS and FTWZ which is expected 12-18 months from now.

Update since March 2009

The company generated revenue of INR 270m from operating activities during first 3 quarters of financial year 2008-09. Company expects to achieve commercial operations at all 8 sites during FY 2010-11.

State of planning, physical progress and completion

The land acquisition of four out of seven sites is complete with each of the sites is taking 12-18 months to be developed. Site development is already in progress in the case of the Navi Mumbai CFS.

The key parks near JNPT, namely the CFS and FTWZ will be the first to be developed and the other sites will be developed subsequently.

Directors' Report

The directors have pleasure in presenting their report and financial statements of the Group for the year ended 31 March 2009.

Principal activity and incorporation

The Company is a closed-end investment company, incorporated on 7 March 2006 in the Isle of Man as a public limited company. It was admitted to the Alternative Investment Market of the London Stock Exchange on 21 April 2006.

The Group invests in real estate and real estate related entities in India, primarily in commercial development in the office and business space, residential, retail and hospitality sectors deriving returns from development, long-term capital appreciation and income.

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

Results and dividends

The Group's results for the financial year ended 31 March 2009 are set out in the Consolidated Income Statement on page 30.

A review of the Group's activities are set out in the Chairman's report and Investment Manager's report on pages 2 and 6 respectively.

The Directors do not recommend the payment of a dividend (2008 : Nil) .

Directors

The Directors of the Company during the year and to date of this report, and their remuneration during the financial year, were as follows

		£'000
Michael Cassidy CBE	Resigned 14 July 2009	78
Rakshitt Chugh	Resigned 14 March 2009	-
William Hamilton-Turner	Resigned 14 July 2009	38
Paul Orchard-Lisle CBE	Resigned 14 July 2009	45
Philip Scales		
Andrzej Sobczak	Appointed 31 October 2008	
	Resigned 14 March 2009	11
Pradeep Verma	Appointed 31 October 2008	11
Martin Adams	Appointed 14 March 2009	-
Stephen Coe	Appointed 14 July 2009	-

Directors' interests in the shares of the Company are detailed in note 13.

Company Secretary

The secretary of the Company during the year and to the date of this report was Philip Scales.

Auditors

The auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 12(2) of the Isle of Man Companies Act 1982.

On behalf of the Board

Philip Scales

Director
28 September 2009

Statement of Directors' Responsibilities

in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and to enable them to ensure that its financial statements comply with the Companies Acts 1931 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

Corporate Governance statement

Although the Company is not obliged by the listing rules to do so, the Board intends, where appropriate for a Company of its size, to comply with the main provisions of the principles of good governance and code of best practice set out in the Combined Code ('the Code').

Responsibilities of the Board

The Board of Directors is responsible for the determination of the investment policy of the Company and for its overall supervision via the investment policy and objectives that it has set out. The Board is also responsible for the Company's day-to-day operations; however, since the Board members are all non-executive, in order to fulfil these obligations, the Board has delegated operations through arrangements with the Investment Adviser and Administrator.

At each of the regular Board meetings held, the financial performance of the Company and its portfolio assets are reviewed. The Board also receives regular investment performance reports from the Investment Manager.

Audit Committee

The Audit Committee is a sub-committee of the board and makes recommendations to the Board which retains the right of final decision. The Audit Committee has primary responsibility for reviewing the financial statements and the accounting policies, principles and practice underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls. The Audit Committee maintains a risk register to help it identify, evaluate, monitor and control risks.

The terms of reference of the Audit Committee covers the following:

- The composition of the Committee, quorum and who else attends meetings.
- Appointment and duties of the Chairman.
- Duties in relation to external reporting, including reviews of financial statements, shareholder communications and other announcements.
- Duties in relation to the external auditors, including appointment/ dismissal, approval of fee, discussion of the audit.
- Duties in relation to internal systems, procedures and controls.

Report of the Independent Auditors

KPMG Audit LLC, to the members of Trikona Trinity Capital plc

We have audited the Group and Parent Company financial statements (the “financial statements”) of Trikona Trinity Capital plc for the year ended 31 March 2009 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company’s members, as a body, in accordance with section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors’ responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors’ Responsibilities on page 27.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1931 to 2004. We also report to you if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors’ Report and any other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group’s and Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group and Parent Company’s affairs as at 31 March 2009 and of the Group’s loss for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1931 to 2004.

KPMG Audit LLC

Chartered Accountants
Heritage Court, 41 Athol Street
Douglas, Isle of Man IM99 1HN

28 September 2009

Consolidated Income Statement

For the year ended 31 March 2009

Note		2009 £'000	2008 £'000
	Interest income cash and cash equivalents	4,102	4,967
	Dividend received	98	71
	Foreign exchange gain/(loss)	86	(41)
10	Fair value movement on investments		
17	Reclassification of subsidiary	53,403	-
	Other	(163,294)	91,406
17	Net realised gains on disposal of subsidiaries	31,795	3,218
	Net investment (loss)/income	(73,810)	99,621
6	Investment Manager's management fees	(5,491)	(5,052)
6	Investment Manager's performance fees	20,459	(27,663)
5	Other administration fees and expenses	(2,602)	(3,227)
	Total expenses	12,366	(35,942)
	(Loss)/profit before tax	(61,444)	63,679
7	Taxation	-	-
	(Loss)/profit for the year	(61,444)	63,679
	Attributable to:		
	Equity holders of the Company	(54,750)	62,497
	Minority interest	(6,694)	1,182
	(Loss)/profit for the year	(61,444)	63,679
8	Basic and diluted (loss)/earnings per share (pence)	(23.6)	26.9

Consolidated Balance Sheet

at 31 March 2009

Note		2009 £'000	2008 £'000
	Non-current assets		
10	Investments as at fair value through profit or loss	234,727	301,858
	Total non-current assets	234,727	301,858
	Current assets		
14	Trade and other receivables	101	558
19	Cash and cash equivalents	60,038	56,617
	Inventory	-	25,641
	Prepayments	142	131
	Total current assets	60,281	82,947
	Total assets	295,008	384,805
	Liabilities		
	Non-current liabilities		
6	Performance fee provision	(7,795)	(36,308)
	Borrowings	-	(1,250)
	Total non-current liabilities	(7,795)	(37,558)
	Current liabilities		
15	Trade and other payables	(6,006)	(4,350)
	Total current liabilities	(6,006)	(4,350)
	Total liabilities	(13,801)	(41,908)
	Net assets	281,207	342,897
	Represented by:		
11	Ordinary shares	2,321	2,321
	Distributable reserve	217,362	217,362
	Retained reserves	41,758	96,508
	Other reserves	(167)	212
	Total equity attributable to equity holders of the Company	261,274	316,403
21	Minority interest	19,933	26,494
	Total equity	281,207	342,897
18	Net Asset Value per share (£)	1.13	1.36

These financial statements were approved by the Board on 28 September 2009 and signed on their behalf by

Philip Scales
Director

Steve Coe
Director

The notes on pages 35 to 47 form an integral part of the financial statements

Company Balance Sheet

at 31 March 2009

Note		2009 £'000	2008 £'000
	Non-current assets		
9	Group balances	181,851	185,963
	Total non-current assets	181,851	185,963
	Current assets		
14	Trade and other receivables	66	92
	Cash and cash equivalents	51,916	45,645
	Prepayments	106	89
	Total current assets	52,088	45,826
	Total assets	233,939	231,789
	Liabilities		
	Current liabilities		
15	Trade and other payables	(3,285)	(1,270)
	Total current liabilities	(3,285)	(1,270)
	Total liabilities	(3,285)	(1,270)
	Net assets	230,654	230,519
	Represented by:		
11	Ordinary shares	2,321	2,321
	Distributable reserve	217,362	217,362
	Retained reserves	10,971	10,457
12	Other reserves	-	379
	Total equity	230,654	230,519

These financial statements were approved by the Board on 28 September 2009 and signed on their behalf by

Philip Scales
Director

Steve Coe
Director

Statements of Changes in Equity

For the year ended 31 March 2009

	Share Capital	Distributable Reserves	Retained Reserves	Other Reserves	Total Shareholders' Funds	Minority Interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Balance at 1 April 2007	2,321	217,362	34,011	(1)	253,693	-	253,693
Profit for the year	-	-	62,497	-	62,497	1,182	63,679
Increase in value of share options	-	-	-	379	379	-	379
Disposal of subsidiaries	-	-	-	-	-	25,082	25,082
Additional investment	-	-	-	-	-	230	230
Foreign exchange on translation of subsidiaries	-	-	-	-	-	-	-
	-	-	-	(166)	(166)	-	(166)
Balance at 31 March 2008	2,321	217,362	96,508	212	316,403	26,494	342,897
Balance at 1 April 2008	2,321	217,362	96,508	212	316,403	26,494	342,897
Loss for the year	-	-	(54,750)	-	(54,750)	(6,694)	(61,444)
Decrease in value of share options	-	-	-	(379)	(379)	-	(379)
Increase in minority interest shareholding	-	-	-	-	-	16,731	16,731
Disposal of subsidiaries	-	-	-	-	-	(16,824)	(16,824)
Additional investment	-	-	-	-	-	226	226
Balance at 31 March 2009	2,321	217,362	41,758	(167)	261,274	19,933	281,207

	Share Capital	Distributable Reserves	Retained Earnings	Other Reserves	Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000
Company					
Balance at 1 April 2007	2,321	217,362	8,409	-	228,092
Profit for the year	-	-	2,048	-	2,048
Increase in value of share options	-	-	-	379	379
Balance at 31 March 2008	2,321	217,362	10,457	379	230,519
Balance at 1 April 2008	2,321	217,362	10,457	379	230,519
Profit for the year	-	-	514	-	514
Decrease in value of share options	-	-	-	(379)	(379)
Balance at 31 March 2009	2,321	217,362	10,971	-	230,654

Consolidated Cash Flow Statement

For the year ended 31 March 2009

Note		2009 £'000	2008 £'000
16	Net cash used by operating activities	(14,449)	(15,854)
	Cash flows from investing activities		
	Purchase of investments	(39,561)	(88,010)
	Interest received	4,201	5,031
21	Disposal of subsidiaries	54,754	32,108
	Reclassification of subsidiary	(1,540)	-
	Net cash inflow/(outflow) from investing activities	17,854	(50,871)
	Cash flows from financing activities		
	Loan repayments	-	(461)
	Net cash (outflow) from financing activities	-	(461)
	Net increase/(decrease) in cash and cash equivalents	3,405	(67,186)
	Cash and cash equivalents at the start of the year	56,617	123,705
	Effect of foreign exchange fluctuation on cash held	16	98
	Cash and cash equivalents at the end of the year	60,038	56,617

Notes to the Financial Statements

For the year ended 31 March 2009

1. General information

The Company and its subsidiaries (together the Group) invest in real estate and real estate related entities in India, primarily in commercial development in the office and business space, residential, retail and hospitality sectors deriving returns from development, long-term capital appreciation and income.

The Company is a closed-end investment company incorporated on 7 March 2006 in the Isle of Man as a public limited company. The address of its registered office is IOMA House, Hope Street, Douglas, Isle of Man.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The Group has no employees.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the entities included in the consolidated financial statements.

2.1 Basis of preparation

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Isle of Man Companies Act 1931 – 2004. The financial statements have been prepared under the historical cost convention as modified by including non-controlling investments in portfolio companies at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

In accordance with Section 3 of the Isle of Man Companies Act 1982, no separate income statement has been presented for the Company. The amount of the Company's profit for the year recognised in the Consolidated Income Statement is £514,000 (2008: £2,048,000).

2.2 Basis of Consolidation

(a) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Control is achieved where the Company has the power to govern the financial and operating policies of a portfolio company so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(b) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the portfolio company, plus any costs directly attributable to the business combination. The portfolio company's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 Non Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the portfolio company's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Notes to the Financial Statements (cont)

For the year ended 31 March 2009

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business being property investment business in one geographical area being India.

2.4 Revenue recognition

Revenue includes interest receivable, dividend income and fair value gains and losses.

Interest receivable is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Fair value gains and losses are recognised in the period of revaluation

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

2.5 Expenses

All expenses are accrued for on an accruals basis and are presented as revenue items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

2.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) Deferred income tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

2.7 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the Currency of the primary economic environment in which the entity operates ('the functional Currency'). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation Currency.

(b) Transactions and balances

Transactions in currencies other than Sterling are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Sterling at foreign exchange rates ruling at the dates the fair value was determined.

(c) Group companies

The results and financial position of all the group entities (none of which has the Currency of a hyperinflationary economy) that have a functional Currency different from the presentation Currency are translated into the presentation Currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2.8 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

2.9 Investments

Investments of the Group where the Group does not have control are designated as at fair value through profit or loss on initial recognition. They are measured at fair value. Unrealised gains and losses arising from revaluation are taken to the income statement.

Investments in entities over which the Group has control are consolidated in accordance with IAS 27.

The fair value of unquoted securities is estimated by the Directors using the most appropriate valuation technique for each investment.

Securities quoted or traded on a recognised stock exchange or other regulated market are valued by reference to the last available bid price.

2.10 Other receivables

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

2.11 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

2.12 Interest-bearing loans and borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

2.13 Other payables

Other payables are not interest bearing and are stated at their nominal value.

2.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.15 Share issue costs

The share issue costs of the Company directly attributable to the Placing that would otherwise have been avoided have been taken to the share premium account

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

2.17 Impairment of assets

Assets including goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the Financial Statements (cont)

For the year ended 31 March 2009

2.18 Inventories

Inventories, including development project work in progress, are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete. Cost includes borrowing costs directly connected with development work.

2.19 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.20 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.21 Interest expense

Interest expenses for borrowings are recognised within "finance costs" in the income statement using the effective interest rate method.

2.22 Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

2.23 Share based payments transactions

Goods and services received or acquired in a share-based payment transaction are recognised when the goods or services are received. A corresponding increase in equity is recognised if the goods or services are received in an equity-settled share-based payment transaction, or a liability if the goods or services are acquired in a cash-settled share-based payment transaction.

For equity-settled share based payment transactions, goods or services are measured at the fair value of the goods or services received, unless the fair value cannot be reliably measured – in which case fair value is measured by reference to the fair value of the equity instruments granted.

The fair value of goods is recognised when they are received and the fair value of services is recognised over the period they are received.

Where a reliable estimate cannot be made of the fair value of equity instruments granted at the measurement date, the equity instruments granted are measured at intrinsic value. This is measured initially at the date the goods are obtained or services rendered and subsequently at each reporting date and at final settlement, with any changes to intrinsic value recognised in profit or loss.

2.24 Future changes in accounting policies

	Effective date (accounting periods commencing on or after)
New/Revised International Financial Reporting Standards (IAS/IFRS)	
IAS 1 Presentation of Financial Statements – Comprehensive revision including requiring a statement of comprehensive income (Revised 2007)	1 January 2009
IAS 1 Presentation of Financial Statements (Revised May 2008)*	1 January 2009
IAS 1 Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (2008)	1 January 2009
IAS 1 Presentation of Financial Statements (Revised April 2009)**	1 January 2010
IAS 7 Statement of Cash Flows (Revised April 2009)**	1 January 2010
IAS 23 Borrowing Costs – Comprehensive revision to prohibit intermediate expensing (Amended 2007)	1 January 2009
IAS 23 Borrowing costs (Revised May 2008)*	1 January 2009
IAS 27 Consolidated and Separate Financial Statements – Consequential amendments resulting from amendments to IFRS 3 (2008)	1 July 2009
IAS 27 Consolidated and Separate Financial Statements – Amendment relating to cost of an investment on first-time adoption (Revised 2008)	1 January 2009
IAS 27 Consolidated and Separate Financial Statements (Revised May 2008)*	1 January 2009
IAS 28 Investments in Associates - Consequential amendments resulting from amendments to IFRS 3 (2008)	1 July 2009
IAS 28 Investments in Associates*	1 January 2009

IAS 31 Interests in Joint Ventures - Consequential amendments resulting from amendments to IFRS 3 (2008)	1 July 2009
IAS 31 Interests in Joint Ventures (Revised May 2008)*	1 January 2009
IAS 32 Financial instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation	1 January 2009
IAS 36 Impairment of Assets (Revised May 2008)*	1 January 2009
IAS 36 Impairment of Assets**	1 January 2010
IAS 39 Financial Instruments: Recognition and Measurement (Revised May 2008)*	1 January 2009
IAS 39 Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments	30 June 2009
IAS 39 Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement (Revised April 2009)**	1 January 2010
IAS 40 Investment Property (Revised May 2008)*	1 January 2009
IFRS 3 Business Combinations – Comprehensive revision on applying the acquisition method	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Revised May 2008)*	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**	1 January 2010
IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about fair value and liquidity risk (Revised March 2009)	1 January 2009
IFRS 8 Operating Segments (Original issuance 2006)	1 January 2009
IFRS 8 Operating Segments (Revised April 2009)**	1 January 2010
IFRIC Interpretation	
IFRIC13 Customer loyalty programmes	1 July 2008
IFRIC 15 Agreement for Construction of Real Estate	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17 Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18 Transfers of Assets from Customers	1 July 2009

* Amendments resulting from May 2008 Annual Improvements to IFRSs

** Amendments resulting from April 2009 Annual Improvements to IFRSs

IFRS 8 introduces the “management approach” to segment reporting, with information based on internal reports. Management are currently assessing the impact of these on the disclosures to be presented regarding segmental reporting.

The Directors do not expect the adoption of the other standards and interpretations to have a material impact on the Group’s financial statements in the period of initial application.

3. Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, market price risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors. The Board identifies and evaluates financial risks in close co-operation with the Manager.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Indian Rupee. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

Net assets denominated in Indian Rupee at the year end amounted to £232,078,000 (2008: £324,966,000)

At 31 March 2009, had the exchange rate between the Indian Rupee and Sterling increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £11,604,000 (2008: £16,248,000).

The Group does not hedge against foreign exchange movements, except from time to time for short term receivables or payables with a known settlement date.

Notes to the Financial Statements (cont)

For the year ended 31 March 2009

(ii) Market price risk

The Group is exposed to market price risk arising from its investment in unlisted and listed equity investments. All these securities present a risk of capital loss. The Board and Manager are responsible for the selection of investments and monitoring exposure to market risk. All investments are in Indian companies.

If the value of the Group's investment portfolio had increased by 5%, the Group's net assets would have increased by £11,736,000 (2008: £15,093,000). A decrease of 5% would have resulted in equal and opposite decrease in net assets.

The Group is exposed to property price risk, property rentals risk and the normal risks of property development through its investment in Indian real estate companies.

(iii) Cash flow and fair value interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates.

The table below summarises the Group's exposure to interest rate risks. It includes the Groups' financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying values of assets and liabilities.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2009							
Financial assets							
Investments	-	-	-	16,511	-	218,216	234,727
Trade and other receivables	-	-	-	-	-	101	101
Cash	60,038	-	-	-	-	-	60,038
Prepayments	-	-	-	-	-	142	142
Total financial assets	60,038	-	-	16,511	-	218,459	295,008
Financial liabilities							
Performance fee provision	-	-	-	-	-	7,795	7,795
Trade and other payables	-	-	-	-	-	6,006	6,006
Total financial liabilities	-	-	-	-	-	13,801	13,801
Total interest rate sensitivity gap	60,038	-	-	16,511	-	-	-

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2008							
Financial assets							
Investments	-	-	-	-	-	301,858	301,858
Trade and other receivables	-	-	-	-	-	558	558
Cash	56,617	-	-	-	-	-	56,617
Prepayments	-	-	-	-	-	131	131
Total financial assets	56,617	-	-	-	-	302,547	359,164
Financial liabilities							
Performance fee provision	-	-	-	-	-	36,308	36,308
Trade and other payables	-	-	-	-	-	4,350	4,350
Bank loan	-	85	256	909	-	-	1,250
Total financial liabilities	-	85	256	909	-	40,658	41,908
Total interest rate sensitivity gap	56,617	(85)	(256)	(909)	-	-	-

(b) Credit risk

Credit risk arises on investments, cash balances and debtor balances. The amount of credit risk is equal to the amounts stated in the balance sheet for each of these assets. Cash balances are limited to high-credit-quality financial institutions. There are no impairment provisions as at 31 March 2009.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

Residual undiscounted contractual maturities of financial liabilities:

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	No stated maturity
	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2009						
Financial liabilities						
Performance fee provision	-	-	-	-	-	7,795
Trade and other payables	772	-	-	-	-	5,234
Investment commitments	-	-	-	-	-	10,582
	772	-	-	-	-	23,611

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	No stated maturity
	£'000	£'000	£'000	£'000	£'000	£'000
31 March 2008						
Financial liabilities						
Performance fee provision	-	-	-	-	-	36,308
Trade and other payables	782	-	-	-	-	3,568
Bank loan	-	85	256	909	-	-
	782	85	256	909	-	39,876

4. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

The Directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimate of fair value of unquoted investments

The Group holds full or partial ownership interests in a number of unquoted Indian companies. Some of these companies invest in development property projects ("the Project Companies"). For the Project Companies, CB Richard Ellis ("CBRE") conducted an independent valuation of the development properties owned by each of these companies as at 31 March 2009. Based on CBRE's valuation of the development properties, the Directors valued the Group's interest in the equity interests held in each of the Project Companies. The Directors also valued the Group's ownership interests in the non-development property owning unquoted companies. Protiviti, an independent firm of advisors carried out certain agreed upon procedures to validate the computation of the fair value of Groups interest.

For the Project Companies, the Directors' valuations are based on a discounted cash flow methodology. The methodology is principally based on company-generated cash flows and observable market data on interest rates and equity returns. The discount rates used for valuing equity securities are determined based on historic equity returns for other entities operating in the same industry for which market returns are observable. Management uses models to adjust the observed equity returns to reflect the actual debt/equity financing structure of the investment. The discount rate applied varies from project to project to take account of the estimated risk and ranges between 18.3% and 25.8%. For the non-development property company holdings, a combination of discounted cash flows and price earnings multiples is used.

(b) Estimated performance fee (carried interest) on investments

As described in note 6, a provision has been established for performance fees. This is based on the fair value gains recognised and an estimate of the ultimate IRR of each investment.

5. Other administration fees and expenses

	2009	2008
	£'000	£'000
Audit fees	168	235
Professional costs	2,111	1,993
Insurance	124	146
Directors' fees	183	138
Bank charges	6	7
Share based payment expense (note 12)	(379)	379
Other	389	329
	2,602	3,227

Audit fees represent auditor's remuneration for work undertaken in connection with the statutory audit of the Group.

Notes to the Financial Statements (cont)

For the year ended 31 March 2009

6. Manager fees and performance fees

In consideration of the Manager providing management services, whether itself or through subcontractors, the Company pays fees to the Manager in accordance with the Admission Document.

The Manager receives a management fee of 2 per cent. per annum of the amount subscribed on the issue of the Placing Shares plus returns from investment retained by the Group for further investment.

The Manager is also entitled to a carried interest (performance fee) in relation to each investment, subject to meeting minimum returns. The hurdle is 10 per cent IRR on each relevant investment ("Hurdle"). Following the sale of an investment, if the Hurdle has been met, the Manager will be entitled to receive a profit share of 20 per cent. of the gain generated by the Group in respect of that investment, provided that if the IRR exceeds 20 per cent., the Manager shall be entitled to 30 per cent. of the gain in respect of that investment. Upon entitlement, 80% of the fee becomes immediately payable, and 20% of the fee is held in escrow. The escrow amount is either paid to the Manager or returned to the Company at the end of the fund's life or upon termination of the Portfolio Management Agreement in accordance with a calculation of the total profit share due. A fee of £8,053,000 became payable in the year on disposals, (2008 : £4,485,000) and a provision of £7,795,000 has been made in respect of the relevant fair value investment gains recognised in the financial statements as at 31 March 2009. (31 March 2008: provision of £36,308,000). The Income Statement in the year shows a credit of £28,513,000 due to the reduction in the performance fee provision (2008: a charge of £27,663,000.) The amount held in escrow at 31 March 2009 was £2,584,000, and this is included in the cash amount in the balance sheet.

7. Taxation

There is no liability for income tax in the Isle of Man.

The Group is subject to income tax in Mauritius at the rate of 15% on the chargeable income of Mauritian subsidiaries. They are, however, entitled to a tax credit equivalent to the higher of the foreign tax paid and a deemed credit of 80% of the Mauritian tax on their foreign source income. No provision has been made in the accounts due to the availability of tax losses.

The Group is liable to tax in India on the activities of its Indian subsidiary, however no income tax is due for the period since the Indian subsidiary is engaged in a development project which is still at an early stage and has not yet generated any taxable income.

8. (Loss)/earnings per share

Basic loss per share is calculated by dividing the net loss attributable to equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2009	2008
(Loss)/earnings (thousands) for the purpose of basic (loss)/earnings per share		
(Loss/profit attributable to equity shareholders of the parent)	£(54,750)	£62,497
Weighted average number of ordinary shares (thousands) for the purposes of basic earnings per share	232,050	232,050
Basic (loss)/earnings per share (pence)	(23.6) p	26.9 p

There is no difference between fully diluted earnings per share and basic earnings per share.

9. Investments in subsidiaries

The subsidiaries of Trikona Trinity Capital PLC are recorded at cost in the accounts of the Company and consolidated in the group financial statements.

Name	Country of Incorporation	Proportion of ownership interest	
		at 31 March 2009	at 31 March 2008
Trinity Capital Mauritius Limited	Mauritius	100%	100%
Trinity Capital (One) Limited	Mauritius	67%	92%
Trinity Capital (Two) Limited	Mauritius	100%	100%
Trinity Capital (Three) Limited	Mauritius	100%	100%
Trinity Capital (Four) Limited	Mauritius	100%	100%
Trinity Capital (Five) Limited	Mauritius	59%	59%
Trinity Capital (Six) Limited	Mauritius	-	59%
Trinity Capital (Seven) Limited	Mauritius	100%	100%
Trinity Capital (Eight) Limited	Mauritius	100%	100%
Trinity Capital (Nine) Limited	Mauritius	100%	100%
Trinity Capital (Ten) Limited	Mauritius	12%	60%
Trinity Capital (Eleven) Limited	Mauritius	100%	100%
Trinity Capital (Twelve) Limited	Mauritius	100%	100%

Trinity Capital (Thirteen) Limited	Mauritius	100%	100%
Trinity Capital (Fourteen) Limited	Mauritius	85%	100%
Trinity Capital (Fifteen) Limited	Mauritius	45%	100%
Trinity Capital (Sixteen) Limited	Mauritius	100%	100%
Trinity Capital (Seventeen) Limited	Mauritius	100%	100%
Trinity Capital (Eighteen) Limited	Mauritius	100%	100%
Trinity Capital (Nineteen) Limited	Mauritius	100%	100%
Trinity Capital (Twenty) Limited	Mauritius	100%	100%
Trinity Capital (Twenty One) Limited	Mauritius	100%	100%
Trinity Capital (Twenty Two) Limited	Mauritius	100%	100%
Trinity Capital (Twenty Three) Limited	Mauritius	100%	100%
Trinity Capital (Twenty Four) Limited	Mauritius	100%	100%
Uppals I.T. Projects Private Limited	India	-	92%

Uppals IT is a wholly owned investment of Trikona Trinity Capital (One) Limited and was consolidated in the financial statements up to and including the previous financial year. For the current year, Uppals IT has not been consolidated as it no longer meets all the criteria for consolidation as required by IAS 27 following the disposal of a significant shareholding in Trinity Capital (One) Limited.

10. Investments – designated at fair value through profit or loss

Investments are recorded at fair value as follows:

	At cost	Fair value Adjustment	At Fair Value
	£'000	£'000	£'000
31 March 2009			
Development property owning companies (all unlisted equity securities):			
Uppal IT Project Pvt Ltd.	36,194	2,894	39,088
Lokhandwala Kataria Constructions Pvt Ltd.	6,258	5,477	11,735
Kapstone Constructions Pvt Ltd.	10,593	1,759	12,352
DB Hospitality Pvt Ltd.	12,176	(428)	11,748
M K Malls Developers	12,283	4,228	16,511
Luxor Cyber City Pvt Ltd.	37,904	(8,108)	29,796
DB Realty Pvt Ltd.	26,381	19,789	46,170
Rustomjee Constructions Pvt Ltd. (“MIG Bandra”)	1,630	(148)	1,482
Sankalp Buildwell Pvt Ltd.	3,330	(1,175)	2,155
Jodhana Developers Pvt Ltd.	6,060	2,202	8,262
Enigma Constructions Pvt Ltd. (“Virar”)	5,660	(115)	5,545
	158,469	26,375	184,844
Non-development property company holdings			
Listed equity securities	20,898	(11,753)	9,145
Unlisted equity securities	29,498	11,240	40,738
	208,865	25,862	234,727
31 March 2008			
Development property owning companies (all unlisted equity securities):			
Lokhandwala Kataria Constructions Pvt Ltd.	6,258	12,251	18,509
Kapstone Construction Pvt Ltd.	10,593	9,010	19,603
DB Hospitality Pvt Ltd.	12,176	3,214	15,390
Manjeera Retail Holdings	9,605	6,640	16,245
M K Malls Developers	24,034	14,851	38,885
Luxor Cyber City Pvt Ltd.	37,904	25,896	63,800
DB Realty Pvt Ltd.	26,381	34,149	60,530
	126,951	106,011	232,962
Non-development property company holdings			
Listed equity securities	20,898	(3,945)	16,953
Unlisted equity securities	18,257	33,686	51,943
	166,106	135,752	301,858

Notes to the Financial Statements (cont)

For the year ended 31 March 2009

Unlisted equity securities including development property owning companies that amount to £225,582,000 (2008: £284,905,000) have been fair valued by the Directors as at 31 March 2009. Protiviti, an independent firm of business advisors, carried out certain agreed upon procedures to validate the computation of fair value. All the fund's unlisted equity securities comprising development projects are valued using discounted cash flow techniques, with the exception of the investment in Rustomjee Constructions Pvt Ltd. which is valued at the Group's share of the estimated underlying net asset value. The underlying cash flows for the development projects are based on data generated by CBRE (the Company's independent values) in conjunction with the Company's Investment Advisor, with the exception of DB Realty. DB Realty is valued on the basis of a mix of discounted cash flows and market comparables. The unlisted equity securities comprising non-development property holdings are valued using a mixture of discounted cash flow and price earnings multiples, except for those holdings for which there is a recent transaction in which case that transaction price is used as the valuation basis.

The investment in MK Malls Developers comprises mezzanine debt stated at a fair value of £16,511,000 and cost of £12,283,000 (31 March 2008: £13,479,000 and £12,283,000 respectively).

11. Share capital

Authorised share capital	No. of shares	£
Ordinary shares of £0.01 each	416,750,000	4,167,500
Deferred shares of £0.01 each	250,000	2,500
	417,000,000	4,170,000

	No. of Shares Issued and Fully Paid	Share Capital £
Ordinary shares of £ 0.01 each	231,800,200	2,318,002
Deferred shares of £0.01 each	250,000	2,500
	232,050,200	2,320,502

The Deferred Shares rank pari passu with the Ordinary Shares save that the Deferred Shares have no right to dividends or voting rights or the right to receive notice of or attend any general meeting. On the return of capital in a winding-up of the Company or otherwise (other than re-purchases or redemptions of shares authorised by special resolution), the Deferred Shares have the right to return of par value paid up thereon in priority to the return of the par value paid up on the Ordinary Shares.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board manages the Group's affairs to achieve shareholder returns through capital growth and income.

The Company had its authority to purchase up to 15% of its own shares on the market renewed at the AGM held on 19 December 2008, so as to help manage the discount to net asset value at which the shares may trade. No shares were purchased in the period ended 31 March 2009.

At the EGM held on 24 March 2009, the Company was given authority to purchase up to 70% of its own shares on the market. The Company has purchased 21,367,702 of its own shares since the balance sheet date for a consideration of £12,037,000.

Group capital comprises share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

12. Share options

Options were granted at the time of the admission to AIM, giving the option holder the right to subscribe for shares at £1.00 per share, exercisable at any time between the first and fifth anniversaries of the admission to AIM, as follows:

Numis	3,787,503 shares
Trikona Advisers	2,525,002 shares
Founder shareholder	1,262,501 shares

The Directors have determined that the fair value of the options granted cannot be reliably measured at the measurement date (the date of grant). Therefore, the intrinsic value method has been used to determine the value of the share-based payment transaction.

The intrinsic value at 31 March 2009 is nil (2008: £379,000).

13. Directors' interests

The following former Directors had interests in the shares of the Company at 31 March 2009:

M. J. Cassidy	125,000 Ordinary Shares
P. D. Orchard-Lisle	74,192 Ordinary Shares

14. Trade and other receivables

	2009 Group £'000	2008 Group £'000	2009 Company £'000	2008 Company £'000
Other receivable	101	558	66	92
	101	558	66	92

15. Trade and other payables

	2009 Group £'000	2008 Group £'000	2009 Company £'000	2008 Company £'000
Investment commitments on behalf of Minority Interest	2,650	2,654	-	-
Performance fee payable	2,584	914	2,584	947
Other payables	772	782	701	323
	6,006	4,350	3,285	1,270

16. Cash used by operations

	2009 Group £'000	2008 Group £'000
(Loss)/profit for the year	(61,444)	63,679
Adjustments for:		
Fair value loss/(gains) on investments	109,891	(91,406)
Finance income	(4,201)	(5,031)
Profit on disposal of shares in subsidiaries	(31,795)	(4,182)
Share option expense	(379)	379
Changes in working capital		
Increase in inventories	-	(3,430)
Increase in receivables	(20)	(620)
(Decrease)/increase in payables	(26,501)	24,757
Cash used by operations	(14,449)	(15,854)

17. Disposal of subsidiaries

On 9 May 2008 the Group disposed of the following interest in its subsidiaries for a cash consideration of £54,333,000.

Subsidiary	Proportion of subsidiary shares sold	Underlying investment
Trinity Capital (One) Limited	25%	Uppals IT Projects Private Limited
Trinity Capital (Six) Limited	59%	Manjeera Retail Holdings
Trinity Capital (Ten) Limited	60%*	M K Malls Developers
Trinity Capital (Fourteen) Limited	15%	Luxor Cyber City

* The Group did not dispose of any of the shares in the class to which the economic rights of the underlying mezzanine finance to MK Malls are attached. This is the only economic interest in Trinity Capital (Ten) Limited which the Group retained following the disposal. However, the Group retained 12% of the voting shares in Trinity Capital (Ten) Limited, but to which no economic rights are attached.

Following this disposal, the Group also has no interest in Trinity Capital (Six) Limited.

The sale crystallised fair value gains of £16,537,000 which had previously been recognised through the profit and loss account and gave rise to additional gains of £13,709,000 not previously recognised. Selling costs of £1,630,000 have been deducted from the net realised gains in the Income Statement.

For Uppals IT, the disposal reduced the Group's effective interest to 67%. A shareholders agreement is also in place for this investment, such that this investment has been reclassified from a subsidiary to an investment at fair value through profit or loss. This reclassification gave rise to an immediate fair value gain of £53,403,000, which has been recognised in the income statement. The minority interest share of this gain, being £17,623,000 has also been recognised in the income statement.

18. Net asset valuation (NAV)

The NAV per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the period by the number of shares in issue.

	2009	2008
Net assets	£261,274,000	£316,403,000
Number of shares in issue (note 11)	232,050,000	232,050,000
NAV per share	£1.13	£1.36

As described in note 17, the fair value gain of the group's interest in Uppals IT has been recognised for the first time in the current year. If this had been recognised in the previous financial year, the NAV per share would have been £1.51 instead of £1.36.

19. Cash and cash equivalents

	2009 Group £'000	2008 Group £'000
Cash held with banks	*16,518	*16,178
Money market funds	43,520	40,439
	60,038	56,617

* Included in the cash balance is an amount of £2,584,000 (2008: £916,000) held in an escrow account, as described in note 6.

20. Commitments

As at 31 March 2009 the Group had capital commitments of £10,582,000 in respect of capital expenditures contracted for at the balance sheet date but not yet incurred. This comprised a commitment by Trinity Capital (Three) Limited of £4,117,000 in respect of Kapstone Constructions which, since the balance sheet date has been waived by the promoter and a commitment by Trinity Capital (Five) Limited of £6,465,000 in respect of Lokhandwala Kataria Constructions. Excluded from commitments is an amount of £10,500,000 which the Board approved for investment by Trinity Capital (Fourteen) Limited in Luxor Cybercity, but which is not subject to legal commitment.

21. Contingent Liabilities

The disposal of subsidiaries contracted on 9 May 2008 included provisions whereby the Group would be obliged to make good to the acquiror the economic loss which would arise upon the non fulfilment of certain conditions in the contractual arrangements with developers. The Directors cannot yet state with full certainty that such obligations will not arise, but it is not possible to quantify the level of compensation which may become payable.

22. Related party transactions

Related parties and material related party transactions and balances and other transactions with affiliates, including fees, commissions, no charge transactions, purchases and sales and related amounts receivable or payable must be disclosed.

As defined in International Accounting Standard 24, Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged.

Rakshitt Chugh, who was a director of the Company until 14 March 2009, has a beneficial interest in the Manager. Fees charged by the Manager, including performance fees, are described in note 6. The Manager was the beneficial owner of 6,700,000 shares at 31 March 2009.

Panthera Developers Private Limited (“Panthera”), Enfield Property Management Services Private Limited (“Enfield”), and Broadgate Securities Limited (“Broadgate”) are related parties to the Manager. Panthera is the developer of Uppals IT Projects Private Limited and co-developer of Luxor Cyber City. During the year Panthera entered into a relationship with Jodhana Developers Pvt. Ltd. as a 1% shareholder and Project Manager, and with Sankalp Buildwell as a Developer and Project Manager with 76.14% voting rights but a profit share of 32.9%. Panthera also entered into a Project Advisory relationship with Enigma Constructions Pvt. Ltd. . Enfield is the property manager for some of the development property companies in which the Group is invested. Broadgate provides to the Company capital market advisory services. The aggregate amount of fees paid by the Company to Panthera, Enfield and Broadgate for the services described above for the year ended 31 March 2009 was £3,414,000 (2008: £4,471,000).

Philip Scales is a director of the Company and of the Administrator. The fees of the Administrator for the year amounted to £95,000 (2008: £50,000).

23. Events after the balance sheet date

The Company purchased 21,367,702 of its own ordinary shares on the open market during the period from the balance sheet date up to 25 June 2009, for a total consideration of £12,037,000.

Valuation Letter



Trikona Trinity Capital Plc
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

Dear Sirs

Valuation and Report as at 31 March 2009 of the India Property Portfolio for Trikona Trinity Capital Plc.

In accordance with our instructions from Trikona Trinity Capital Plc (Trikona Trinity) dated 16 February 2007, CB Richard Ellis (CBRE) have carried out a valuation of 12 properties located in India on behalf of Trikona Trinity for accounting purposes. The properties valued are:

1. Neelkamal Marine Drive Developers – Royal Le Meridien Hotel, Mumbai.
2. Neelkamal Marine Drive Developers – Hotel & Mixed Use Development, Maharishi Karve Road, Mumbai
3. Neelkamal Marine Drive Developers –Hotel Development, Goa
4. Neelkamal Marine Drive Developers – Hotel Development, Pune
5. Kapstone Constructions – Mixed Use Development, Thane
6. Lokhandwala-Kataria Constructions – Apartment Development, Mumbai
7. Uppals IT Projects – Mixed Use Development, Noida
8. Luxor Cyber City Private Limited – Luxor IT SEZ, Gurgaon, Delhi – Commercial Development
9. MIG Bandra (East), Mumbai – Residential Development
10. Virar Township, Mumbai (New Property 03/2009)
11. Sankalp Township, Gujarat
12. Jodhana Residential Villas, Jodhpur, Rajasthan

Eleven of the properties are either development sites or are in the course of development. One property, Le Meriden Hotel in Mumbai, is a completed building and is held for investment.

The valuations were carried out as at the 31 March 2009 and the bases and assumptions on which the valuations have been carried out are as provided in our Valuation Report dated 31 March 2009.

All the properties were inspected between February 2007 and April 2009.

The valuations have been prepared in accordance with The RICS Valuation Standards (Sixth Edition). We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole. As instructed, the schedule of capital values contained in the property report provides the 100% value of the properties in their current state and does not account for the ownership % share that Trikona Trinity has in each project.

The properties have been valued by a valuer who is qualified for the purposes of the valuation in accordance with the RICS Appraisal and Valuation Standards. The valuations have been carried out by the valuation

teams from CBRE in Delhi and Mumbai and the process has been overseen and managed by CBRE in London. CBRE have acted as External Valuers.

The property details on which each valuation is based are as set out in our property report and we have relied on information provided by Trikona Trinity and their representatives in India, including the proposed projects for the sites, buildable areas and construction costs. Appropriate checks were made by CBRE on various assumptions to cross check with standard market practices. We have assumed that all information provided is correct and comprehensive.

Where a property exists, we have relied upon the floor areas provided, and for the development projects we have relied upon the proposed floor areas for the project.

We have not undertaken, nor are we aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigations into the past or present uses of the properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Our report dated 31 March 2009, and this letter, is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully



GRAHAM HUGHES BSc MRICS
Executive Director - Valuation Advisory
For and on behalf of CB Richard Ellis Limited

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