Alcantarilla Fotovalltaica SL **Annual Report** 2010

Audit of the Component's Financial Information Clearance Memorandum

From:

BERNARDO TAHOCES ACEBO

Date:

May 31, 2011

Subject:

Alcantarilla Fotovoltaica S.L's Financial Information for the year ended

December 31, 2010

We have audited the financial information compromising the Balance Sheet as at December 31, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date included in the accompanying reporting package of Alcantarilla Fotovoltaica S.L. for the year ended December 31, 2010 using the Accounting Policies stipulated by the holding company, IL&FS Transportation Networks Limited, and in accordance with auditing standards generally accepted in India.

The preparation of the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement is the responsibility Alcantarilla Fotovoltaica S.L's management. therein, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement has been prepared in accordance with the recognition and measurement criteria as adopted by the Group for inclusion in the consolidated financial information of IL&FS Transporation Networks Limited (ITNL) and are intended solely for that purpose.

Based on our audit of Alcantarilla Fotovoltaica S.L, and read together with our comments above, in our opinion and according to the information and explanations given to us, we report that the Financial Statements comprising of the Balance Sheet , the Profit & Loss Account and the Cash Flow Statement as at / for the year ended 31 December 2010 has been prepared, in all material respects, in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, other recognised accounting practices and policies stipulated by the Holding Company, IL&FS Transportation Networks Limited (ITNL) and that the amounts contained in the Financial Statements are appropriate for inclusion in the consolidated financial ITNL as at / for the year ended 31 December 2010...

This communication is provided to you solely for the information and use in the consolidated financial statements of ITNL Group for the year ended December 31, 2010. It should not be distributed to anyone in the Group, any of its components, or any other third party.

For Bernardo Tahoces Acebo

Chartered Accountants

Nº 5625 del R.O.A.C

Bernardo Tahoces Acebo Membership no: 5625 Date: May 31, 2011

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED) BALANCE SHEET AS AT December 31, 2011

	Scheduli	e Euros	As a December 31, 201 Euro
SOURCES OF FUNDS			
Shareholders' funds			
Capital	Α	3,000	
Reserves and surplus	В	(332)	2,668
Minority interest	Q		عد
Preference shares issued by subsidiary to Minority			
Advance towards capital of subsidiary			
oan funds			
Secured			
Unsecured	C		*
Deferred tax liability	R		
		ása s	2,668
APPLICATION OF FUNDS		9.4	
ixed assets			
Gross block			
Less: Depreciation			
Net fixed assets Capital work in progress			
	D		·-
codwill on consolidation			-
nvestments	E		età.
eceivable under Service Concession Arrangement			***
effered Tax Asset	5		142
urrent assets, loans & advances	F		
Inventories	F1	*	
Sundry debtors Cash and bank balances	F2	82	
Other current assets	F3	3,000	
Loans and advances	F4 F5	Aller	
	FD	3,082	
ess : Current llabilities & provisions Current llabilities		0,002	
Provisions	G1 G2	556	
et current assets	***************************************	556	a rac
		**************************************	2,526
gnificant accounting policies	o	State Control	2,668
otes to account	p		0
terms of our clearance memorandum attached. r [Name of audit firm] B TAHOCES A CE 130		For and on behali	f of the Barred
artered Accountants BTAHOCES ACCIDO		or and on bendi	FOR THE BOARD
Mat Such		Angelia francisco en con esta con processo en con e	
171044 48	and the second	And the second s	
ame of partner [and o Take of o	М	lanaging Director	Director
ce: Madada Company			
te: 13 MAY 2011 ST	C	ompany Secretary	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED) PROFIT AND LOSS ACCOUNT THE YEAR ENDED DECEMBER 31, 2010

			Year ended December 31, 2010
INCOME		Schedule	Euro
Income from operations			
Other Income		H	
Foreign exchange fluctuation (Net)		I T	W
		•	
EXPENSES			Section of an extended by an extended and accompany property of the property o
Increase / decrease in stock in trade and work in progress			
Consumption of raw materials			
Operating Expenses Employee Cost		J	***
Administrative and general expenses		K	w.
nterest and finance charges		Į.	474
Preliminary expenses written off		М	**
			**
			474
PROFIT BEFORE DEPRECIATION AND TAX Depreciation			(474)
PROFIT BEFORE DIMINUTION AND TAX		W	
			(474)
rovision for Dimiuation in value of investments ROFIT BEFORE TAX			*
rovision for tax			(474)
ROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINO		N	142
ess: Share of profit transferred to minority		V	(332)
dd: Own share in Associate included ε	alled Entity	*	
ROFIT AFTER TAX (AFTER ADJUSTMEN dd / Less : Share of Profit / (Loss) of a.			(332)
ess: Share of profit transferred to minority dd: Own share in Associate included a ROFIT AFTER TAX (AFTER ADJUSTMEN dd / Less : Share of Profit / (Loss) of a. ROFIT AFTER TAX			A. Commence of the contract of
			(332)
alance of profit brought forward			
rofit available for appropriation			(332)
ppropriations:			(332)
ransfer to general reserve ransfer to debenture redemption reserve			*
oposed dividend on equity shares			w
ox on dividend on equity shares			*
emium on preference shares of subsidiary			Ass
ax on dividend and premium on preference shares of subsidiary			24
alance carried forward			(332)
isic / Diluted earnings per share (Face value per share Rs)			
			(0)
gnificant accounting policies		О	(0)
otes to account		P	
And the second s			
terms of our clearance memorandim attached. r [Name of audit firm]		***************************************	
partered Accountants (2) 1990 1990 1990	3	or, and on be	half of the Board
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ama of partner!	Pr.	ranaging Dire	ctor [
ame of partner]		35	
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	(ompany acci	ceus y

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED) SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE A : CAPITAL

	As at
	December 31, 2010
	Euros
AUTHORISED	
Issued 300 equity shares of Euros 10 each	3,000
	3,000
ISSUED, SUBSCRIBED AND PAID-UP	
Suscribed and paid up 300 equity shares of Euros 10 each fully paid up	3,000
	3,000



Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE B : RESERVES AND SURPLUS

	Euros	As at December 31, 2010 Euros
Securities premium account Balance as per last Balance Sheet Addition during the period	-	50103
Capital reserve Opening balance Transfer during the period		•
Capital reserve on consolidation Opening balance Transfer during the period	_	
Other statutory reserves (created through transfer of profits) Opening balance Transfer during the period		-
Debenture redemption reserve Opening balance Addition during the period (post acquisition)		-
General reserve Opening balance Add: Transfer during the period	an and a second	-
Foreign Exchange Fluctuation Reserve (Net of deferred tax asset of Rs) Opening balance Add/(Less): Adjustment during the period (Net)		_
Cash Flow Hedge Reserve Opening balance Add/(Less): Adjustment during the period (Net)		
Balance in Profit and loss account		(332)
Total reserves and surplus	arron	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE C : LOAN FUNDS

		As at December 31, 2010 Euros
SECURED		
From banks		*
From financial institutions From others		
Non convertible debentures		-
Deep discount bonds		
Zero Coupon Bonds		~
Lease Finance Interest accrued and due		•
Total secured loans		
UNSECURED		
From Bank		
Short term loans		*
Other than short term loans		w.
From Others		
Short term loans		**
Other than short term loans		
Non-Covertible Debentures	The second second	
Interest accrued and due		*** ***
Total unsecured loans		
Total loan funds		
ven iven ming		

Alcantatilla Fotovoltaica, S.L.U. (For consolidation into the Financial Statements of 11.2 fs transportation networks limited) Schedules to balance sheet as at December 31, 2010

Schedule D : FIXED ASSETS

		Gro	Gross Block		i con	A SA PART OF THE P	**************************************	OHEROCOMPANION OF THE PARTY OF	and the second s	AND CAMPAGE STREET, ST		ROLDS
од подпоснования в пределения в подпоснования в подпоснования в подпоснования в подпоснования в подпоснования в	Opening as at 31.12.09	Opening	Additions	Deletions	Closing as at	Upto	Opening	For the period	Deletions	Usto	As at	Slock Ac at
Tangible Assets Land Building & Sructures Roads and bridges Vehicles			j	C. 1 C. 2 C.		1	Action of the control		Reclassifications	31.12.10	O H N H	31,12,09
Data Processing Equipments Office Premises Office Premises Furniture & Fixtures Furniture & Fixtures Furniture & Fixtures Plant & Machinery Advertisement Structure					1 7 <i>f</i> 2 2 1 g		THE STATE OF THE S			, b , e e e e	r f o f & Y g g g	
Sub total	To the state of th			The state of the s	*	*	I.	**		•	f	
Leased Assets Plant & Machinery Plectrical installations Vehicles Furniture & fixtures Building & Structures Land Sub Total			5	,	1 7 2 4 7 7	×		1		1 2 F c # F	\$ 2 V \$ \$	
in Annual Control of the Control of			*			,		,			4	ni media kamena a debenda fassapa
Softwares / itenses Commercial Rights Acquired Right Under Service Concession Arrangements Trademarks and Licenses		**************************************					n Millian (m. 1944). Para da Para da Para (m. 1944). Para da Para (m. 1944).					
200 1008	**	*	-	magnesia	***************************************	Section of the sectio						
			-	***************************************	*		*					and the state of t
lotal tixed assets			,			,						
Previous year ended December 31, 2010				The state of the s	,		Property of the Control of the Security of the Control of the Cont		W. W.			- Constant C
	And a company of the Colon of t	The state of the s			viin	-	-		The second of th		340	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMIT SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

	As at December 31, 2010 Euros
Investments in associates Less: Unrealised gain on transactions between the Company and its associates Add: Post-acquisition share of profit/ (loss) of associates Add: Post-acquisition share of movement in the capital reserves of an associate Less: Cash flow Hedge Reserve	
Long term investments Unquoted equity shares (fully paid up) Other investments	
Sub total	
Current investments In units of mutual funds (Market value as June 30, 2010 Rs) Sub total	-
Less: Provision for diminution	
Total investments	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE F: CURRENT ASSETS AND LOANS & ADVANCES

	As at December 31, 2010 Euros
CURRENT ASSETS	La OS
INVENTORIES (at lower of cost and market value)	
Raw Material Finished Goods	es .
Stores and Spares	
Total inventories	3000 (3000 (1000 - 1000 (1000 - 1000 (100) (1000 (1000 (1000 (1000 (1000 (1000 (1000 (1000
SUNDRY DEBTORS (Unsecured, considered good unless otherwise stated) Considered good	82
Considered doubtful	***
Less: Provision for doubtful debts	82
Total sundry debtors	kennennen jorden on opposite til state sta
CASH AND BANK BALANCES Cash in hand	
Balance with scheduled banks In current accounts	
In fixed deposits	3,000
Balance with non-scheduled banks In current accounts	
In fixed deposits	
Total cash and bank balances	3,000
OTHER CURRENT ASSETS Interest accrued	
Option premium assets	₩
Receivable against sale of investments Other current assets	
Total other current assets	
LOANS AND ADVANCES	
Advances recoverable in cash or in kind or for value to be received	~
Deposits Advance payment of taxes (net of provision)	ж
Advance Fringe benefit tax (net of provision)	
Long term loans Short term loans	-
Advance towards Capital / Share Application Money Investment in Call Money	
Grant receivable from National Highway Authorities of India	
Total loans and advances	Monte of the contract of the c
Total current assets and loans & advances	And And Andready (Angles (and Angles (and Angles (and Angles (angles (
rotta carreire assets and todas & advances	3,082

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITI SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS

	As at December 31, 2010 Euros
CURRENT LIABILITIES	
Sundry creditors Advance received	556
Interest accrued but not due	rr u.
Other liabilities (Derivatives) Unearned revenue	м
Income received in advance	
Total current liabilities	556
PROVISIONS	
Provision for fringe benefit tax (net of advance)	-
Provision for Tax (net of advance) Provision for employee benefits	~
Proposed dividend on equity shares	#* **
Provision for tax on proposed dividend on equity shares Provision for dividend on preference shares of subsidiary	*
Provision for premium on preference shares of subsidiary	-
Provision for tax on preference dividend of subsidiary	*
Provision for tax on preference share premium of subsidiary Provision for overlay	
Provision for contingency otal provisions	
our provisions	
otal current liabilities & provisions	
oral current naturales of bioxistoris	556
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Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWO SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE H : INCOME FROM OPERATIONS

		Year ended December 31, 2010 Euros
Income from services		
Advisory and project management fees Lenders' engineer and supervision fees		•
Operation and maintenance income		~
Toll revenue		-dec
Periodic Maintainance Income Finance Income		MA.
Licence Fee		
Total	(a)	Note that the second se
Traded products Sales (net of sales tax)		*
Total	(b)	
Construction Income	and the second second	**
Total	(c) 13.11.40.00 (c)	
Total income from operations (a+b+	c)	
	Barrier and St.	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LI SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE I : OTHER INCOME

	Year ended December 31, 2010 Euros
Interest on loans granted	
Interest on debenture	~
Interest on call money	• • • • • • • • • • • • • • • • • • •
Interest on bank deposits	
Interest on Short Term Deposit	
Interest on advance towards property	
Profit on sale of investment (net)	
Profit on sale of fixed assets (net)	~
Advertisement income	MO.
Income from Material Testing	←
Excess provisions written back	**
Operation and Maintainace Grant from National Highways Authority of India	with
Miscellaneous income	~
Total other income	

Alcantarilla Fotovoltaica, S.L.U.
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE J : OPERATING EXPENSES

	Three Months ender December 31, 2010 Euros
Material Consumption	
Cost of traded products	*
Construction Contract Costs	
fees for technical services / design and drawings	N.
Diesel and Fule Expenses	~
Operation and maintainance expenses	
rovision for overlay expenses	· ·
Periodic maintainance expenses	\$ 10 g
otal operating expenses	
1	
	* a * * * * * * * * * * * * * * * * * *
	1 J
	\$ 2/
Section 1997 Annual Control of the C	A. I.
	\$*//
The same of the sa	

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE K : EMPLOYEE COST

Three Months ended December 31, 2010 Euros

Salaries and allowances Contribution of provident and other funds Staff welfare expenses

Total employee cost



Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORK: SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE L : ADMINISTRATIVE & GENERAL EXPENSES

Three Months ended December 31, 2010 Euros Services Various Legal and consultation fees 455 ECR Operating and Administrative Expenses Agency fees Travelling and conveyance Rent Rates and taxes Repairs and maintenance Bank commission Registration expenses Communication expenses Insurance Exchange rate fluctuation Printing and stationery Electricity charges Cost of shared services Directors' fees
Bad debts and provision for doubtful debts
Project management fees
Loss on sale of assets (net) Royalty Miscellaneous expenses 19 Total administrative & general expenses 474

Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWOR SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE M: INTEREST & FINANCE CHARGES

Three Months ended December 31, 2010 Euros

Interest on loans for fixed period Interest on debentures Guarantee commission Finance charges Upfront fees on performance guarantee Intrest on Deep Discount bonds Other interest

Total interest and finance charges



Alcantarilla Fotovoltaica, S.L.U. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORL SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE N : PROVISION FOR TAXATION

		Three Months ended December 31, 2010 Euros
Current tax		(142)
Tax related to earlier years	10 (A) (A)	(* '*-)
Fringe benefit tax		
Deferred tax charge (net)		
Total provision for taxation		(1/17)
	The second se	