

Alcantarilla Fotovaltaica 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 comprising 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. As stated 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 Transportation 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
N° 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

	Schedule	Euros	As at December 31, 2010 Euros
SOURCES OF FUNDS			
Shareholders' funds			
Capital	A	3,000	
Reserves and surplus	B	(332)	2,668
Minority interest	Q		-
Preference shares issued by subsidiary to Minority			-
Advance towards capital of subsidiary			-
Loan funds			
Secured			
Unsecured	C		-
Deferred tax liability	R		-
			2,668
APPLICATION OF FUNDS			
Fixed assets			
Gross block			
Less: Depreciation			
Net fixed assets			
Capital work in progress	D		-
Goodwill on consolidation			-
Investments	E		-
Receivable under Service Concession Arrangement			-
Deffered Tax Asset	S		142
Current assets, loans & advances			
Inventories	F		
Sundry debtors	F1	-	
Cash and bank balances	F2	82	
Other current assets	F3	3,000	
Loans and advances	F4	-	
	F5		
		3,082	
Less : Current liabilities & provisions			
Current liabilities	G1	556	
Provisions	G2	-	
		556	
Net current assets			2,526
			2,668
Significant accounting policies	O		
Notes to account	P		0

In terms of our clearance memorandum attached.

For [Name of audit firm]: **BTAHOCCES A E E B O**
 Chartered Accountants

[Name of partner]
 Partner **Bernardo Taharoto**

Place: **Madrid**
 Date: **9 MAY 2011**

For and on behalf of the Board

[Signature]
 Managing Director

Director

Company Secretary

Alcantarilla Fotovoltaica, S.L.U.

(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF I&FS TRANSPORTATION NETWORKS LIMITED)
PROFIT AND LOSS ACCOUNT THE YEAR ENDED DECEMBER 31, 2010

	Schedule	Year ended December 31, 2010 Euros
INCOME		
Income from operations	H	-
Other Income	I	-
Foreign exchange fluctuation (Net)	T	-
EXPENSES		
Increase / decrease in stock in trade and work in progress		-
Consumption of raw materials		-
Operating Expenses	J	-
Employee Cost	K	-
Administrative and general expenses	L	474
Interest and finance charges	M	-
Preliminary expenses written off		-
		<u>474</u>
PROFIT BEFORE DEPRECIATION AND TAX		(474)
Depreciation	W	-
PROFIT BEFORE DIMINUTION AND TAX		<u>(474)</u>
Provision for Diminution in value of investments		-
PROFIT BEFORE TAX		(474)
Provision for tax		142
PROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINORITY)	N	<u>(332)</u>
Less: Share of profit transferred to minority		-
Add: Own share in Associate included	V	-
PROFIT AFTER TAX (AFTER ADJUSTMENT)		<u>(332)</u>
Add / Less : Share of Profit / (Loss) of a related Entity		-
PROFIT AFTER TAX		<u>(332)</u>
Balance of profit brought forward		-
Profit available for appropriation		(332)
Appropriations:		-
Transfer to general reserve		-
Transfer to debenture redemption reserve		-
Proposed dividend on equity shares		-
Tax on dividend on equity shares		-
Premium on preference shares of subsidiary		-
Tax on dividend and premium on preference shares of subsidiary		-
Balance carried forward		<u>(332)</u>
Basic / Diluted earnings per share (Face value per share Rs. ____)		(0)
Significant accounting policies	O	
Notes to account	P	

In terms of our clearance memorandum attached.

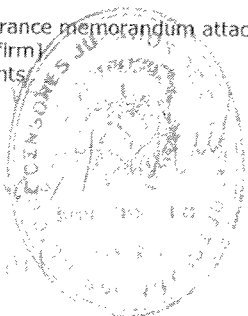
For [Name of audit firm]
Chartered Accountants

[Name of partner]

Partner

Place:

Date:



For and on behalf of the Board

Managing Director

Company Secretary

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
	<u>3,000</u>
ISSUED, SUBSCRIBED AND PAID-UP	
Suscribed and paid up 300 equity shares of Euros 10 each fully paid up	3,000
	<u>3,000</u>



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**

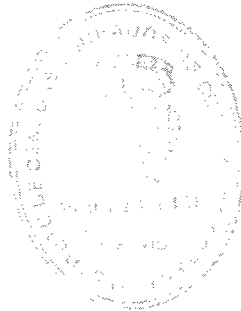
	Euros	As at December 31, 2010 Euros
Securities premium account		
Balance as per last Balance Sheet	-	
Addition during the period	-	
Capital reserve		
Opening balance	-	
Transfer during the period	-	
Capital reserve on consolidation		
Opening balance	-	
Transfer during the period	-	
Other statutory reserves (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	-	
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		(332)

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	-
From Others	
Short term loans	-
Other than short term loans	-
Non-Covertible Debentures	-
Interest accrued and due	-
Total unsecured loans	-
Total loan funds	-



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

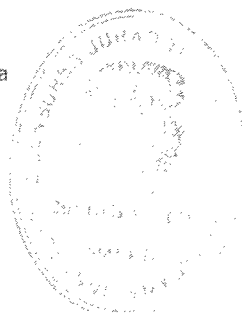
SCHEDULE E : INVESTMENTS

	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	
	--
<u>Long term investments</u>	
Unquoted equity shares (fully paid up)	-
Other investments	-
	--
Sub total	--
	--
<u>Current investments</u>	
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	
INVENTORIES (at lower of cost and market value)	
Raw Material	-
Finished Goods	-
Stores and Spares	-
Total inventories	<u>-</u>
SUNDRY DEBTORS (Unsecured, considered good unless otherwise stated)	
Considered good	82
Considered doubtful	-
	<u>82</u>
Less: Provision for doubtful debts	-
Total sundry debtors	<u>82</u>
CASH AND BANK BALANCES	
Cash in hand	
Balance with scheduled banks	
In current accounts	3,000
In fixed deposits	-
Balance with non-scheduled banks	
In current accounts	-
In fixed deposits	-
Total cash and bank balances	<u>3,000</u>
OTHER CURRENT ASSETS	
Interest accrued	-
Option premium assets	-
Receivable against sale of investments	-
Other current assets	-
Total other current assets	<u>-</u>
LOANS AND ADVANCES	
Advances recoverable in cash or in kind or for value to be received	-
Deposits	-
Advance payment of taxes (net of provision)	-
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	<u>-</u>
Total current assets and loans & advances	<u><u>3,082</u></u>



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 G : CURRENT LIABILITIES AND PROVISIONS

	As at December 31, 2010 Euros
CURRENT LIABILITIES	
Sundry creditors	556
Advance received	-
Interest accrued but not due	-
Other liabilities (Derivatives)	-
Unearned revenue	-
Income received in advance	-
Total current liabilities	<u>556</u>
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	-
Total provisions	<u>-</u>
Total current liabilities & provisions	<u>556</u>

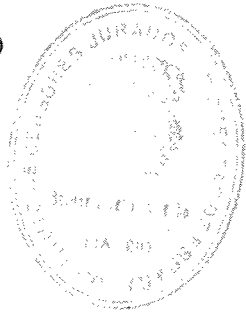


Alcantarilla Fotovoltaica, S.L.U.

(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		-
Periodic Maintainance Income		-
Finance Income		-
Licence Fee		-
Total	(a)	<u>-</u>
Traded products		
Sales (net of sales tax)		-
Total	(b)	<u>-</u>
Construction Income		-
Total	(c)	<u>-</u>
Total income from operations (a+b+c)		<u><u>-</u></u>

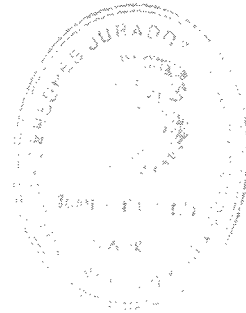


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(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LI
SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

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	-
Income from Material Testing	-
Excess provisions written back	-
Operation and Maintainace Grant from National Highways Authority of India	-
Miscellaneous income	-
Total other income	-

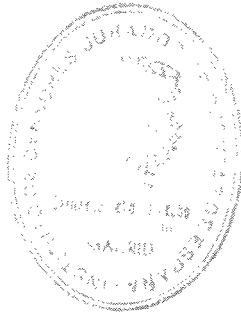


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(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS
SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE J : OPERATING EXPENSES

	Three Months ended December 31, 2010 Euros
Material Consumption	-
Cost of traded products	-
Construction Contract Costs	-
Fees for technical services / design and drawings	-
Diesel and Fuel Expenses	-
Operation and maintainance expenses	-
Provision for overlay expenses	-
Periodic maintainance expenses	-
Total operating expenses	-

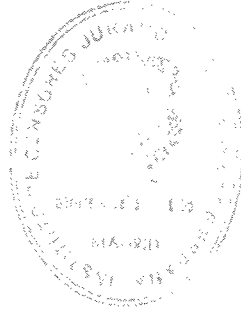


Alcantarilla Fotovoltaica, S.L.U.

(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	-

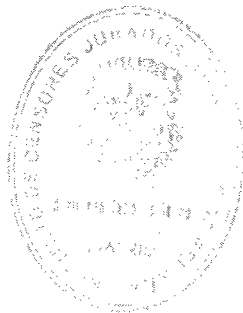


Alcantarilla Fotovoltaica, S.L.U.

(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	<u><u>474</u></u>

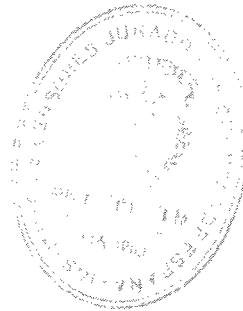


Alcantarilla Fotovoltaica, S.L.U.

(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORK)
SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE 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	<u> </u> <u> </u>



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 N : PROVISION FOR TAXATION

	Three Months ended December 31, 2010 Euros
Current tax	(142)
Tax related to earlier years	-
Fringe benefit tax	-
Deferred tax charge (net)	-
Total provision for taxation	(142)

