Antenea Sequridad Y Medico Ambiente S.A. **Annual Report** 2010

Audit of the Component's Financial Information Clearance Memorandum

From:

BERNARDO TAHOCES ACEBO

Date:

May 31, 2011

Subject:

Atenca Seguridad y Medio Ambiente S.A'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 Atenea Seguridad y Medio Ambiente S.A. 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 Atenea Seguridad y Medio Ambiente S.A'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 Transporation Networks Limited (ITNL) and are intended solely for that purpose.

Based on our audit of Atenea Seguridad y Medio Ambiente S.A, 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

Atenea Seguridad y Medio Ambiente, S.A. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED) BALANCE SHEET AS AT December 31, 2011

	Schedul	e Euros	As at December 31, 2010 Euros
SOURCES OF FUNDS			
Shareholders' funds			
Capital Reserves and surplus	A B	130,200 612,800	742.000
Minority Interest		012,600	743,000
,	Q		øs.
Preference shares issued by subsidiary to Minority			
Advance towards capital of subsidiary			**
Loan funds			
Secured Unsecured	С	144 401	4 * 4 * * *
		144,491	144,491
Deferred tax liability	R		12,693
		er- er-	900,184
APPLICATION OF FUNDS			
Fixed assets Gross black		113,087	
Less: Depreciation	D	110,839	
Net fixed assets Capital work in progress			2,248
Goodwill on consolidation			-
investments	\$100 \$100 \$100		-
Receivable under Service Concession Arrangement			-
Deffered Tax Asset	S		1,833
Current assets, Ioans & advances	F		
Inventories Sundry debtors	F1	Pú .	
Cash and bank balances	F2 F3	2,184,195 122,182	
Other current assets	F4	1	
Loans and advances	F5	3,901,467 6,207,845	
ess: Current liabilities & provisions		0,207,645	
Current liabilities Provisions	G1 G2	5,111,438	
let current assets	\3.4.	200,304 5,311,742	
et current assets			896,103
		andidate	900,184
ignificant accounting policies otes to account	O P		0
n terms of our clearance memorandum attached.	*		
or [Name of audit firm] 12 - TANDO AND A AREA AND A		For and on behal	If of the Board
hartered Accountants 1200 Process Account		1 1 1	
Mr And		A Marine Commence	
Name of partner] Bernardo Tahoco,	·	Managing Director	Director
ace: Martin May 31, 2011			
M.C. American Committee of the Committee	(Company Secretary	

Atenea Seguridad y Medio Ambiente, S.A. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED) PROFIT AND LOSS ACCOUNT THE YEAR ENDED DECEMBER 31, 2010

	Schedule	Year ended December 31, 2010 Euros
INCOME		meteoriet state de talen de television de série de se de servicion de la companya de la companya de la company
Income from operations	11	5 060 740
Other Income	ï	5,068,748 85,222
Foreign exchange fluctuation (Net)	T	
		5,153,970
EXPENSES		
Increase / decrease in stock in trade and work in progress		
Consumption of raw materials Operating Expenses	4	
Employee Cost	J K	1,458,741
idministrative and general expenses	L.	2,584,490 984,409
nterest and finance charges	м	5017103
reliminary expenses written off		m.
		5,027,640
		3,027,040
PROFIT BEFORE DEPRECIATION AND TAX		126,330
Pepreciation PROFIT BEFORE DIMINUTION AND TAX	W	14,393
TOTAL OUT STRUMOTON WAS INV		111,937
Provision for Dimination in value of investments		24
PROFIT BEFORE TAX Provision for tax		111,937
ROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINORITY INTREST)	N	(30,977)
ess: Share of profit transferred to minority interest	V	80,961
dd: Own share in Associate included as Minority interest of a Jointly Controlled Entity	7	
ROFIT AFTER TAX (AFTER ADJUSTMENT OF MINORITY INTREST) dd / Less : Share of Profit / (Loss) of associates		80,961
PROFIT AFTER TAX		60 0c t
alance of profit brought forward		80,961
rofit available for appropriation ppropriations:		80,961
ansfer to general reserve		
ansfer to debenture redemption reserve		-
roposed dividend on equity shares		41
ax on dividend on equity shares remium on preference shares of subsidiary		w
ix on dividend and premium on preference shares of subsidiary		M.
alance carried forward		80,961
asic / Diluted earnings per share (Face value per share Rs)		
		0
Ignificant accounting policies	0	V
otes to account	* *	
terms of our clearance memorandum attached.		
or (Name of audit firm) hartered Accountants	For and on bet	half of the Board
Action Ac	/- 221	n on the same and a
3 March Salla Red		State Contract of the Contract
The state of the s	Managing Direc	ctor [
arma at an atmost	-	
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ame of partner many and the state of the sta		
rtner ASS 250	Company Secre	etary

Atenea Seguridad y Medio Ambiente, S.A.
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF ILAFS TRANSPORTATION NETWORKS LIMITED)
SCHEDULES TO BALANCE SHEET AS AT December 31, 2010

SCHEDULE A : CAPITAL

	As at December 31, 2010 Euros
AUTHORISED	
Issued 2170 equity shares of Euros 60 each	130,200
	130,200
ISSUED, SUBSCRIBED AND PAID-UP	
Suscribed and paid up 2170 equity shares of Euros 60 each fully paid up	130,200
	130,200

Atenea Seguridad y Medio Ambiente, S.A. (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

	об от Мейстан обвеч об соот объект и мет и технической от общей об об обоставление общей общей общей общей общ Соот Мейстан обвеч об соот объект и мет и технической общей общей общей общей общей общей общей общей общей обще	As at December 31, 2010
Securities premium account Balance as per last Balance Sheet Addition during the period	Euros	Euros
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	26,040	-
Debenture redemption reserve Opening balance Addition during the period (post acquisition)	-	26,040
General reserve Opening balance Add : Transfer during the period	The state of the s	-
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		58 6,760
otal reserves and surplus	Audi	612.800

Atenea Seguridad y Medio Ambiente, S.A. (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	4.
Deep discount bonds	n. 35
Zero Coupon Bonds	44
Lease Finance	**
Interest accrued and due Total secured loans	
Total Secured Idans	
UNSECURED	
From Bank	
Short term loans	44,491
Other than short term loans	126,500
From Others	
Short term loans	No.
Other than short term loans	
Name Or constitute Park and the second	
Von-Covertible Debentures Interest accrued and due	
Total unsecured loans	170,991
Total loan funds	170,991

Atenea Seguridad y Medio Ambiente, S.A. (For consolidation into the financial statements of 1128 fransportation networks limited) schebules to balance sheet as at December 31, 2010

Schedule D : FIXED ASSETS

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	A CONTRACTOR PLANTAGE AND		Gross Block			Michael Company Company Science (Approximate Company)		Maria commence de la companya de la	era kentra jereto de determenta en anticipio de paración.	***************************************		RUTOS
нем и применения в	Opening as at 31,12,09	Opening	Additions	Defetions	Closing as at	Upto	Opening	For the period	Deletions	Truck or	Net Block	1 1
Transmissipal registration with the contract of the contract o		an justinging		Reciassifications		31.12.09	S)		Reclassifications	31.12.10	As at 31,12,10	As at 31 10 0c
Land		anto-					Andrian Constitution of					
Building & Siructures			\$	ŗ	*	. And and an angular section of the			Late Commission	***************************************	eulus-	
Roads and bridges				, meterials	I	in entered		(Crawlinkovi)	nir omesa	ī	y 1.	, ;
Venicles Data drepasition formand	86,323		ner et manne		26 273	(300	***************************************	1	Personal	ŧ	. 1	* *
Office Premises					4 ,	(040,00)		(12,158)	164	(92,340)	(6,019)	5,975
Office Equipments			meter vision y	400	3	***************************************				ŧ	*	*
Leasehold Improvements				- Anairi	\$	France	***************************************		~~~	•	ŧ	*
Furniture & Fixtures	6000			Métatas	,		Teleforen			•	2	ř
Electrical Installations	255		4		3,838	(2,356)	********	(384)			1 0	¥
Plant & Machinery	2000		3	A Comment	1,374	(828)	Period Section 1	(47)	Ø	(0,7,40)	20.7	S. I.
Advertisement Structure				********	9,284	(8,284)		L	•	(286.07	à	901
SUB total	100 472		Approximation of the second	THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COL	*	,	,	,		The Company of the	f	Trace all to the
Printed and the state of the st			SAME S	C C C C C C C C C C C C C C C C C C C	100.818	(92,865)		(12,589)	2.6.5	3 + 02, 30 + 7		
Leased Assets	the second						***************************************		The second secon	17031601	(\$44.44)	7,6:2
Plent & Machinery	enth fragge				******	******	veen	- Constant	obje-ste			******
Electrical Installations					3			teranu			Omnouna.	To Assist
Vehicles	696 61				s s	- Navernoon			not on some		ı	ē.
Furniture & fixtures	T provided			distan	12,269	(3,753)		11 8050		, 1	• ;	i
Suilding & Structures								7		(2,222)	6,711	50
Lanc	- Total				5	*******	**********	•••		í	ś	*
500 10131	12.269			to the second se	*	niron.	erere e			s i	t	\$
The state of the s				Percentage	12,269	(3,753)		(3083)	**************************************	(5.558*)	6.711	2 6 5 5
Anticinglistic Assets				A SA						was a constant of the constant		
CONTRACTOR CONTRACTOR				Lenaure	*******	notesting and	********			·	orton value	
Commercial Rights Acquired				Office and the second	i -ber sil e				*****	- Charles	nique,	
Total under veryice Concession Arrangements				Eur [©] rentenna			nette etc per		- American Inc.	manus h	-	
Others and R&D Expenses	economic de la companya de la compa				na da creamono		***************************************					unioninia y
Sub Total	The CTREACHTHOLE CONTRACTOR MANAGEMENT AND ADDRESS AND	elimmenticiame assessipereterropistropisticocumpatoristica pubblica, maga-									MA-MANAGA	***************************************
		And designation of the second		***	*	×		-	Minima Property and Administration of the Property of the Prop	AMARIE DIRECTOR AND ADDRESS OF THE PERSON ADDRESS OF T	The state of the s	The second secon
Total fixed assets	112.747		0.00	PROFESSIONAL PROFE					Abertana anno anno anno anno anno anno anno	AND AND DESCRIPTION OF THE PROPERTY OF THE PRO		-
		CALCOLOUS AND	24()	Contract Con	113,087	(96.518)	1	(14.393)	7. C. 4	7450 0367	2000	The same of the sa
Previous your ended December 31, 2010			CHEST COMMENTS AND ADDRESS OF THE PARTY OF T	with the same of t			To delicate the same of the sa		Section (section process consequences and section (section))	1000/044	2,243	16,129
And provided and distributed interest in the provided and the state of	many management of the spiritual state of the	Processing and the second seco			73			West to the second of the seco	The state of the s			

Atenea Seguridad y Medio Ambiente, S.A. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMI'S 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	

Atenea Seguridad y Medio Ambiente, S.A. (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	
SUNDRY DEBTORS (Unsecured, considered good unless otherwise stated)	
Considered good	2,184,195
Considered doubtful	604,332
Less: Provision for doubtful debts	2,788,527 604,332
Total sundry debtors	2,184,195
CACIL AND MANY DALANORA	
CASH AND BANK BALANCES Cash in hand	0.034
Balance with scheduled banks	8,931
In current accounts	113,252
In fixed deposits Balance with non-scheduled banks	50,000
In current accounts	_
In fixed deposits	90
Total cash and bank balances	172,182
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	3,851,467
Deposits	
Advance payment of taxes (net of provision) Advance Fringe benefit tax (net of provision)	^-
Long term loans	are mp.
Short term loans	w
Advance towards Capital / Share Application Money	-
Investment in Call Money Grant receivable from National Highway Authorities of India	-
Total loans and advances	3,851,467
Total current assets and loans & advances	C 367 048
The transfer of the first of th	6,207,845

Atenea Seguridad y Medio Ambiente, S.A. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF ILAPS TRANSPORTATION NETWORKS LIMIT! 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 Interest accrued but not due Other liabilities (Ocrivatives)	4,904,737 166,142
Uncarned revenue Income received in advance Total current liabilities	22,754 5,093,633
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 dividend of subsidiary Provision for overlay Provision for contingency Total provisions Total current liabilities & provisions	200,304 218,109
Total current liabilities & provisions	5,311,742
MARIO 3/	

Atenea Seguridad y Medio Ambiente, S.A. (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

5,068,748 - -
5,068,748
20-0-20-11
-
5,068,748
)

Atenea Seguridad y Medio Ambiente, S.A.
(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	104
Interest on Short Term Deposit	1130
Interest on advance towards property	~
Profit on sale of investment (net)	500
Profit on sale of fixed assets (net)	-sder
Advertisement income	
Income from Material Testing	-46
Excess provisions written back	ARE
Operation and Maintainace Grant from National Highways Authority of India	-
Miscellaneous income	05.440
Total other income	85,118
All the state of t	85,222

Atenea Seguridad y Medio Ambiente, S.A. (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
aterial Consumption		98,486
ost of traded products		*
onstruction Contract Costs		
es for technical services / design and d	rawings	~
esel and Fule Expenses peration and maintainance expenses	The state of the s	*
ovision for overlay expenses	1 3440 m	1,360,255
riodic maintainance expenses		•
		*
stal operating expenses		1,458,741
	180 same was and 24	
	- N. J. SA NO SA	
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Atenea Seguridad y Medio Ambiente, S.A. (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 ECR Operating and Administrative Expenses Agency fees		82,150
Travelling and conveyance		
Rent		301,050
Rates and taxes		18,903
Repairs and maintenance		9,816
Bank commission		13,827
Registration expenses		
Communication expenses Insurance		
Exchange rate fluctuation		46,487
Printing and stationery		
Electricity charges		
Cost of shared services		6,168
Directors' fees		
Bad debts and provision for doubtful debts		160 633
roject management fees	The second second	169,672
oss on sale of assets (net)		
Royalty		
fiscellaneous expenses		336,336
otal administrative & general expenses		984.409
and the second s		334,409

Atenea Seguridad y Medio Ambiente, S.A. (FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORL SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE M: INTEREST & FINANCE CHARGES

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



Atenea Seguridad y Medio Ambiente, S.A.
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORN SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED December 31, 2010

SCHEDULE N : PROVISION FOR TAXATION

	Three Months ended December 31, 2010 Euros
rrent tax x related to earlier years nge benefit tax ferred tax charge (net)	30,977
tal provision for taxation	30,977

Atenea Seguridad y Medio Ambiente, S.A.
(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

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

2,078,794 505,696

Total employee cost



