

Independent Assurance Statement

THE BOARD OF DIRECTORS IL&FS TRANSPORTATION NETWORKS LIMITED

1. Ernst & Young LLP ("EY") has been appointed by Infrastructure Leasing & Financial Services (IL&FS) to provide an independent assurance of the implementation of the Environmental and Social Policy Framework (ESPF) in group companies of IL&FS. The scope of services includes reviewing the conformance with ESPF implementation at IL&FS Transportations Networks Limited ("ITNL" or "the Company") for the Financial Year ending March 31, 2017.
2. The enunciation and implementation of the Policy as aforesaid and the related operational procedures are the responsibility of the Management of ITNL.
3. The assurance engagement was planned and performed in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000).
4. The performance of our engagement involved the following key steps:
 - We have carried out a desk review of ESPF documents of ITNL and interviews at corporate office in Mumbai with key members of the company who are responsible for the implementation of ESPF in the company.
 - A sample of 15% of project portfolio of the company was reviewed to assess the implementation of ESPF. Our assessment was based on review of compliance of project related ESPF documentation for FY 2017 with the requirements prescribed in the ESPF manual. Our review did not involve site visits to project locations for physical verification of ESPF related systems.
5. Our key observations are as follows:
 - The ESPF company manual consists of procedures, which direct IL&FS management to carry out Environmental and Social (E&S) risk assessment of projects, and accordingly prioritize actions for E&S risk management including actions related to compliance with all relevant national E&S policies, laws and regulations.
 - There is scope to improve project monitoring in terms of additional involvement of on-site project managers in line with the company manual prescribed requirements.
6. Based on our assessment and according to the documents, explanations provided to us and records made available to us during the audit, no material exception has come to our notice that causes us to believe that ITNL has not demonstrated conformity with its ESPF.

For Ernst & Young LLP



Chaitanya Kalia
Partner
16 May 2017