**ITCL**

IL&FS Trust Company Limited

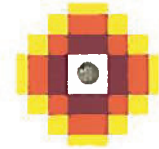
February 10, 2016

To,

General Manager,
Department of Corporate Services,
14th Floor, Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

**DISCLOSURE UNDER REGULATION 29(2) OF SEBI (SUBSTANTIAL ACQUISITION OF
SHARES AND TAKEOVERS) REGULATIONS, 2011**

| | | | |
|--|---|--|---|
| 1. Name of the Target Company (TC) | VLS Finance Limited | | |
| 2. Name(s) of the acquirer and Persons Acting in Concert (PAC) with the acquirer | IL&FS Trust Company Ltd (In our capacity as Debenture Trustee) IL&FS Financial Centre, Plot C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 | | |
| 3. Whether the acquirer belongs to Promoter/Promoter group | No | | |
| 4. Name(s) of the Stock Exchange(s) where the shares of TC are Listed | BSE LTD (formerly Bombay Stock Exchange) The National Stock Exchange of India Ltd (NSE) The Calcutta Stock Exchange Ltd. Madras Stock Exchange Ltd (MSE) | | |
| 5. Details of the acquisition / disposal as follows | Number | % w.r.t. total share/voting capital wherever applicable (*) | % w.r.t. total diluted share/voting capital of the TC (**) |
| Before the acquisition under consideration, holding of : | | | |
| a) Shares carrying voting rights | ----- | ----- | ----- |
| b) Shares in the nature of encumbrance (pledge/lien/non-disposal undertaking/ others) | 40,00,000 | 10.35% | 10.35% |
| c) Voting rights (VR) otherwise than by shares | ----- | ----- | ----- |
| d) Warrants/convertible securities/any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) | ----- | ----- | ----- |
| Total (a+b+c+d) | 40,00,000 | 10.35% | 10.35% |

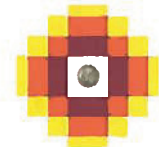


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| | | | |
|--|--|---------------|---------------|
| Details of acquisition/ Sale | | | |
| a) Shares carrying voting rights acquired (pledge) / sold | ---- | ---- | ---- |
| b) VRs acquired/sold otherwise than by shares | ---- | ---- | ---- |
| c) Warrants/convertible securities/any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) acquired/sold | ---- | ---- | ---- |
| d) Shares encumbered/ invoked/released by the acquirer | 40,00,000 | 10.35% | 10.35% |
| Total (a+b+c+d) | 40,00,000 | 10.35% | 10.35% |
| After the acquisition/ sale holding of: | | | |
| a) Shares carrying voting rights | ---- | ---- | ---- |
| b) Shares encumbered with the acquirer | ---- | ---- | ---- |
| c) VRs otherwise than by shares | ---- | ---- | ---- |
| d) Warrants/convertible securities/any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) after acquisition | ---- | ---- | ---- |
| Total (a+b+c+d) | ---- | ---- | ---- |
| Mode of acquisition/ sale (e.g. open market /off market/ public issue / rights issue / preferential allotment / inter-se transfer, etc.) | off market (Release of pledged security) | | |
| Date of acquisition / sale of shares/VR or date of receipt of intimation of allotment of shares, whichever is applicable | February 09, 2016 | | |
| Equity share capital / total voting capital of the TC before the said acquisition/ sale | 3,86,62,017 equity Shares | | |
| Equity share capital/ total voting capital of the TC after the said acquisition/ sale | 3,86,62,017 equity Shares | | |
| Total diluted share/voting capital of the TC after the said acquisition | NA | | |

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40,00,000 Equity Shares of VLS Finance Limited have been released from the pledge of IL&FS Trust Company Limited (ITCL) in its capacity as a Debenture Trustee to secure the issue of Non Convertible Debentures (NCDs) issued by VLS Capital Limited

As per the Securities Exchange Board of India letter dated August 08, 2014 (enclosed for your reference), the primary onus of complying with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 is of the lender and debenture holder and not on the Trustee. However, out of abundant caution, ITCL in its capacity as security trustee and debenture trustee are disclosing and filing this disclosure under Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

For **IL&FS Trust Company Ltd**

Narendra Joshi

Head- Legal, Compliance, Tax & Risk

Place: Mumbai

Date: February 10, 2016