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March 13, 2021

Ted Yu, Esq., Chief  
Christina E. Chalk, Esq., Senior Special Counsel  
Office of Mergers and Acquisitions  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549  
U.S.A.

Re: **Partial Tender Offer for Shares of Vedanta Limited**

Dear Mr. Yu and Ms. Chalk:

We are writing on behalf of Vedanta Resources Limited (“*Acquirer*”), along with certain affiliated entities who are acting in concert with the Acquirer in connection with the Tender Offer (*as defined below*) namely, Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited (collectively “*PACs*” and together with the Acquirer, the “*Promoter Group*”), to request that the staff of the Division of Corporation Finance (the “*Staff*”) of the Securities and Exchange Commission (the “*Commission*”) grant exemptive relief with respect to:

- (1) Rule 14e-1(a) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) to permit the Tendering Period (*as defined below*) for the Promoter Group’s partial voluntary tender offer for cash (the “*Tender Offer*”) relating to the equity shares (the “*Shares*”) of Vedanta Limited, an Indian limited company (the “*Issuer*”), to remain open for a fixed period of 10 working days<sup>1</sup> in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “*SAST Regulations*”), which unfortunately conflict with Rule 14e-1(a); and

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<sup>1</sup> Any reference herein to “*business days*” has the meaning set forth in Exchange Act Rule 14d-1(g)(3) and any reference to “*working days*” means any day that the Securities and Exchange Board of India (“*SEBI*”) is open for business, which is Monday through Friday except for designated Indian public holidays.

- (2) Rule 14d-7(a) under the Exchange Act to permit the Tender Offer to proceed without withdrawal rights for holders who tender Shares in the Tender Offer as such rights are incompatible with the requirements of the SAST Regulations.

The Promoter Group is being advised by Khaitan & Co concerning Indian legal matters and Latham & Watkins LLP concerning U.S. legal matters for the Tender Offer.

## I. BACKGROUND

On January 9, 2021, the Promoter Group took a decision to make the Tender Offer as provided in Regulation 6 of the SAST Regulations. As a result of this decision, on January 9, 2021, the Promoter Group made a public announcement to acquire up to 371,750,500 Shares, representing approximately 10% of the fully diluted voting share capital of the Issuer (“**Offer Size**”), from the Public Shareholders<sup>2</sup> in accordance with SAST Regulations at Rs. 160 per Share, a price determined in accordance with SAST Regulations (“**Offer Price**”). As of the date of the Tender Offer Public Announcement (*as defined below*), the members of the Promoter Group collectively beneficially owned 2,048,458,132 Shares, representing approximately 55.1% of the fully diluted voting share capital of the Issuer, as calculated under Exchange Act Rule 13d-3 and disclosed in Schedule 13D/A filed on January 5, 2021. The Tender Offer is being made voluntarily and is not the result of a global acquisition, an open market purchase or a negotiated deal. In addition, the Tender Offer will not result in a change of control of the Issuer.

The Tender Offer will be structured as a single offer made worldwide, including in the United States. In the event that the number of Shares validly tendered by the Public Shareholders under the Tender Offer is more than the number of Shares agreed to be acquired in the Tender Offer, the Acquirer and/or any one or more PACs shall accept the Shares received from the Public Shareholders on a proportionate basis. There is no requirement that a minimum number of Shares be tendered. Further, no reductions in the Offer Size are permitted and the SAST Regulations only allow the Offer Size to be increased.

The Issuer is a globally diversified natural resources company engaged in the business of producing oil and gas, zinc, lead, silver, copper, iron ore, steel, aluminium and power across India, South Africa, Namibia and Australia. The Issuer is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange Act. The Shares are listed on the National Stock Exchange of India Limited and the BSE Limited (together, the “**Indian Stock Exchanges**”) and the Issuer’s American Depositary Shares (each representing four Shares) (the “**ADS**”) are registered pursuant to Section 12(b) of the Exchange Act and listed on the New York Stock Exchange.

## II. IMPLICATIONS UNDER INDIAN LAW

The SAST Regulations were adopted to afford shareholders the opportunity to sell their shares on account of the change in control or substantial acquisition of shares, occurring in the

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<sup>2</sup> Any reference to **Public Shareholders** herein means all the public shareholders of the Issuer who are eligible to tender their Shares in the Tender Offer, excluding the Acquirer, the PACs, other members of the promoter and promoter group of the Issuer, and other persons deemed to be acting in concert with the Acquirer and/or the PACs.

Indian listed company at a minimum price established by law, and this right provides an important protection for minority shareholders under Indian law. Under the SAST Regulations, an acquirer (who together with persons acting in concert, if any), holds shares or voting rights in an Indian listed company entitling them to exercise 25% or more but less than maximum permissible non-public shareholding (i.e., 75%) is entitled to make a voluntary tender offer for acquiring shares in accordance with the SAST Regulations subject to their aggregate shareholding after the completion of the voluntary tender offer not exceeding the maximum permissible non-public shareholding (i.e., 75%). Such voluntary tender offer must be made for at least such number of shares as would entitle the holder to exercise additional 10% of the voting rights in the Indian listed company at a price determined in accordance with Regulation 8 of the SAST Regulations. The SAST Regulations allow the acquirer to increase the offer size or price, but reduction of offer price is not permitted nor is reduction of the offer size below 10% (in case of a voluntary tender offer).

In addition, the SAST Regulations prohibit holders who have tendered their shares in acceptance of the offer from withdrawing such acceptance during the tendering period.<sup>3</sup> The law on withdrawal of shares tendered in acceptance of an open offer has undergone change in India. Under the earlier regime, governed by Regulation 22(5A) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“*Old Code*”), shareholders were permitted to withdraw shares tendered in acceptance of the open offer until up to three working days prior to the closing of the offer.<sup>4</sup> In September 2009, the Takeover Regulatory Advisory Committee (“*TRAC*”) was constituted by SEBI to examine and review the Old Code and suggest suitable amendments. TRAC submitted its report to SEBI and *inter alia* suggested introducing new takeover regulations. With respect to withdrawal rights, TRAC in its report noted that, since the last date of upward revision of the price precedes the commencement of the tendering period, shareholders are expected to be in receipt of all information to enable them to make an investment decision at the time of tendering. TRAC therefore did not see any reason to permit withdrawal of shares tendered in response to proposed open offer procedures and timelines. Moreover, TRAC observed that removing the option to withdraw promoted efficiency in the process. Based on the recommendations of TRAC and after the completion of public consultation process, SEBI adopted the SAST Regulations, which repealed and substituted the Old Code and are currently applicable. The Tender Offer that is subject of this request is being made in accordance with SAST Regulations, and therefore holders who tender Shares in the Tender Offer will not have the right to withdraw such Shares.<sup>5</sup>

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<sup>3</sup> Regulation 18(9) of the SAST Regulations states: “Shareholders who have tendered shares in acceptance of the open offer shall not be entitled to withdraw such acceptance during the tendering period.”

<sup>4</sup> Regulation 22(5A) of the Old Code states, in part: “The shareholder shall have the option to withdraw acceptance tendered by him upto three working days prior to the date of closure of the offer.”

<sup>5</sup> The Patni Computers tender offer was under the Old Code which specifically permitted withdrawal, and such withdrawal right has now been removed under the SAST Regulations. Also, the regulations with respect to tendering process have changed since the Patni case. The Acquirer

On January 9, 2021, the Promoter Group issued the public announcement announcing the Tender Offer in compliance with the SAST Regulations (the “**Tender Offer Public Announcement**”). The Tender Offer has been the subject of coverage by various news agencies, including Bloomberg and the Times of India.

The Tender Offer Public Announcement confirmed that the Tender Offer will be for acquisition of up to 371,750,500 Shares at a price of Rs. 160 per Share. The price per share was calculated in accordance with Regulations 8(1) and 8(2) of the SAST Regulations.

To the best of the knowledge of the Promoter Group, no regulatory approvals or exemptive relief are required to acquire the Shares that are validly tendered pursuant to the Tender Offer or to complete the Tender Offer, other than the relief requested herein. In this respect, Note 4 of the Draft Letter of Offer states that the Acquirer and the PACs reserve the right to reject the Shares tendered in the Tender Offer if requisite approvals or exemptions have not been obtained. To the best of the knowledge of the Promoter Group, it is not aware of any such broadly applicable approvals or exemptions under Indian law that are generally applicable to all foreign Public Shareholders.<sup>6</sup>

(a) The Tender Offer process

We set out below a brief description of the timelines and the process of making the Tender Offer under the SAST Regulations:

- (i) The Tender Offer commenced, for purposes of Indian law, with the publication of the Tender Offer Public Announcement on January 9, 2021. A corrigendum to the Tender Offer Public Announcement was made on January 14, 2021 (“**Corrigendum to PA**”).
- (ii) Pursuant to the SAST Regulations, the Promoter Group published a detailed public statement (“**Detailed Public Statement**”) on January 15, 2021 in all editions of any one English national daily with wide circulation, any one Hindi national daily with wide circulation, and any one regional language daily with wide circulation at the place where the registered office of the Issuer is situated and one regional language daily at the place of the stock exchange where the maximum volume of trading in

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has approached SEBI with a proposal to allow tendering by ADS holders via an escrow mechanism under the SAST Regulations, wherein the custodian of the Shares underlying the ADSs could tender the Shares on behalf of the ADS holder during the Tendering Period. However, we understand that the same has not been accepted by SEBI and believe appropriate communication in this regard has been sent by SEBI to the Commission.

<sup>6</sup> There may be certain circumstances wherein an ADS holder would be required to procure prior approval for acquisition of Shares pursuant to conversion of ADS. For instance, if a beneficial holder of an ADS is situated in or is a citizen of any country which shares a land border with India, then such ADS holder would be required to seek prior approval for conversion of such ADS into Shares. Disclosure to this effect will be included in the Letter of Offer (as defined below).

the Shares of was recorded during the 60 trading days preceding the date of the Tender Offer Public Announcement.<sup>7</sup>

- (iii) The Promoter Group subsequently submitted a draft letter of offer in relation to the Tender Offer (the “**Draft Letter of Offer**”) to SEBI on January 19, 2021 for its review and comments. A corrigendum to Detailed Public Statement and the Draft Letter of Offer was published on February 18, 2021 in the same newspapers in which the Detailed Public Statement was published (“**Corrigendum to DPS and DLOF**”).
- (iv) The Tender Offer Public Announcement, Corrigendum to PA, the Detailed Public Statement, the Draft Letter of Offer and Corrigendum to DPS and DLOF are all uploaded on the website of SEBI and each of the Indian Stock Exchanges for the information of the shareholders.
- (v) SEBI is required to give its comments on the Draft Letter of Offer within 15 working days from the date of receipt of the Draft Letter of Offer. In the event no comments are issued by SEBI within this 15 working day period, it is deemed that SEBI has no comments on the Draft Letter of Offer. If SEBI seeks any clarifications or additional information, the period of issuance of comments is extended to the fifth working day from the date of receipt of satisfactory reply to the clarification or additional information sought by SEBI.
- (vi) Within 7 working days<sup>8</sup> from the date of receipt of final comments from SEBI on the Draft Letter of Offer, the Promoter Group is required to dispatch the letter of offer (the “**Letter of Offer**”) to all Public Shareholders whose names appear in the register of members of the Issuer as of the ‘identified date.’<sup>9</sup> In terms of the SAST Regulations, the Letter of Offer can be dispatched to the Public Shareholders in electronic and/ or physical form. The Promoter Group undertakes to dispatch the Letter of Offer to the Public Shareholders (as of the identified date) by (i) email to those Public Shareholders whose email addresses are registered with the Issuer/ registrar and transfer agent of the Issuer and if any of such Public Shareholders request for the Letter of Offer in physical form, the same shall be provided to them; and (ii) post to those Public Shareholders whose email addresses are not registered with the Issuer/ registrar and transfer agent of the Issuer and whose dispatch emails

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<sup>7</sup> The Detailed Public Statement was published in the following newspapers: Financial Express (all editions, except in except in Ahmedabad, Kochi, Hyderabad and Chennai editions on account of holiday which were published on January 16, 2021), The Free Press Journal (Mumbai edition), Navshakti (Mumbai edition), and Jansatta (all editions).

<sup>8</sup> This is an outer time limit, and the Promoter Group may dispatch the Letter of Offer in accordance with the SAST Regulations at an earlier date.

<sup>9</sup> ‘Identified date’ means the date falling on the tenth working day prior to the date of the commencement of the tendering period under the Tender Offer. The identified date serves as a cut-off date for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent. To clarify, every Public Shareholder, regardless of whether it held shares on the identified date or has not received the Letter of Offer, is entitled to tender Shares in acceptance of the Tender Offer.

have bounced back. For U.S. shareholders who are sent the Letter of Offer in physical form, the Letter of Offer will be sent by expedited commercial courier for delivery with two business days. The Letter of Offer will therefore be dispatched via e-mail to U.S. holders whose e-mail addresses are available in the Shareholders Lists (*as defined below*). The Letter of Offer will also be filed with the Commission on Schedule TO-C and will therefore be publicly available through the Commission's Electronic Data Gathering, Analysis and Retrieval system. Public Shareholders who do not receive the Letter of Offer will still be able to tender their Shares in the Tender Offer.

- (vii) The Tendering Period of the Tender Offer will need to be opened no later than 12 working days<sup>10</sup> from the date of receipt of final comments from SEBI on the Draft Letter of Offer. Under the SAST Regulations, the Tendering Period must remain open for Public Shareholders to accept and tender for a fixed period of 10 working days.
  - (viii) In accordance with Regulation 18(9) of the SAST Regulations, and as noted in the Draft Letter of Offer, holders will not be permitted to withdraw their Shares once tendered.
  - (ix) Payment of consideration to Public Shareholders whose Shares are validly tendered Shares and accepted in the Tender Offer needs to be completed within 10 working days from the last date of the Tendering Period.
  - (x) In the event Shares representing more than the Offer Size are tendered in the Tender Offer, the Acquirer and/or any one or more PACs shall accept the Shares received from the Public Shareholders on a proportionate basis.
- (b). Brief overview of the relevant timelines

In accordance with the SAST Regulations and applicable Indian law, the Promoter Group respectfully submits that Public Shareholders, including those in the United States, will be provided with information on the Tender Offer in advance of the 10 working day Tendering Period during which the offer will be open pursuant to the SAST Regulations.

The Tender Offer Public Announcement, Corrigendum to PA, Detailed Public Statement, Draft Letter of Offer and Corrigendum to Detailed Public Statement and Draft Letter of Offer are publicly available on the websites of SEBI and the Indian Stock Exchanges. As per the SAST Regulations, the Promoter Group is required to dispatch the Letter of Offer concerning the Tender Offer to the identified Public Shareholders, including those in the United States, on or before the seventh working day from the date of receipt of final comments from SEBI on the Draft Letter of Offer, and the Tendering Period is required to start on or before the twelfth working day from the

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<sup>10</sup> This is an outer time limit, and the Promoter Group may start the tendering period at an earlier date post completion of dispatch of the Letter of Offer in accordance with the SAST Regulations.

date of receipt of final comments from SEBI on the Draft Letter of Offer. The Tender Offer has also been the subject of coverage by various news agencies, including Bloomberg.

The Promoter Group confirms that it will dispatch the Letter of Offer on or before the sixth working day from the date of receipt of the relief sought herein,<sup>11</sup> and it will open the Tendering Period no earlier than 6 working days from the dispatch of the Letter of Offer. Therefore, at a minimum, a period of 15 working days and business days (or approximately 21 calendar days) will lapse between the dispatch of the Letter of Offer and the closure of the Tendering Period for the Tender Offer. Based on the anticipated date to open the Tendering Period of March 23, 2021, a minimum period of 57 working days (or 57 business days and 80 calendar days) will lapse between the public announcement of the offer and the closure of the Tendering Period.

(c). Overview of treatment of ADS

The Promoter Group is unable to accept the tender of ADS under the SAST Regulations, and therefore any ADSs would need to be cancelled and the underlying Shares delivered to the holder before such holder could participate in the Tender Offer.<sup>12</sup> As noted in the Draft Letter of Offer published on SEBI's website on January 20, 2021 and furnished by the Issuer on a Form 6-K, ADS holders who wish to tender in the Tender Offer "must have, or must establish, a custodian or brokerage (demat) account in India to receive such Equity Shares prior to presenting their ADS to the Depository for cancellation." The Draft Letter of Offer further states "[e]stablishing such custodian or brokerage (demat) account may be subject to delay as a result of operational procedures and as the opening of such account may be subject to regulatory approvals in India." We understand that prior to withdrawing Shares underlying their ADSs, ADS holders will need to obtain an income tax number, referred to as a "Permanent Account Number" (a "**PAN**"), set up a demat account through a depository participant in India to hold the Shares in electronic dematerialized form and set up a broker account in India to effect transactions in the Shares. As a

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<sup>11</sup> Promoter Group has received final comments from SEBI on the Draft Letter of Offer on February 16, 2021 and were required to dispatch the Letter of Offer by February 26, 2021. However, as this request for relief remains pending, the Manager to the Tender Offer submitted an application dated February 25, 2021 to SEBI on behalf of the Promoter Group requesting SEBI to allow the Promoter Group to dispatch the Letter of Offer within 7 working days from the receipt of the relief requested herein and to open the Tendering Period within 12 working days from the granting of such relief by the Commission. On March 2, 2021, SEBI accepted the said request.

<sup>12</sup> The Acquirer has approached SEBI with a proposal to allow tendering by ADS holders via an escrow mechanism under the SAST Regulations, wherein the custodian of the Shares underlying the ADSs could tender the Shares on behalf of the ADS holder during the Tendering Period. However, we understand that the same has not been accepted by SEBI and believe appropriate communication in this regard has been sent by SEBI to the Commission. We would note that in the Infosys tender offer, which was governed by SEBI (Buy Back of Securities) Regulations 1998 rather than the SAST Regulations, SEBI only permitted holders of depository shares to participate in the tender offer following the conversion of their depository shares into equity shares. Unlike the SAST Regulations, SEBI (Buy Back of Securities) Regulations 1998 did not contain any specific restriction on post tendering withdrawal of shares.

result, ADS holders have been on notice of the need to establish a custodian or brokerage account in India since the initial posting of the Draft Letter of Offer.<sup>13</sup>

In the event any Shares underlying the ADSs are not accepted as the result of prorationing, the holders of such Shares will be able to re-deposit such Shares into the depository facility. ADS holders will not be charged any fees, including withdrawal or cancellation fees, in connection with tendering their ADSs or redepositing any Shares that are not accepted in the Tender Offer. Instructions with respect to the process for tendering ADSs will be shared with the ADS holders by the depository in advance of the commencement of the Tendering Period.

### III. APPLICATION OF THE EXCHANGE ACT

- (a). The Shares are listed and traded in India on the Indian Stock Exchanges and the ADSs are listed and traded on the New York Stock Exchange. The Issuer is a “foreign private issuer” as defined in Rule 3b-4(c) under the Exchange Act and is subject to the reporting requirements of the Exchange Act.
- (b). U.S. holders do not hold more than 40% of the Shares that are the subject of the Tender Offer, as determined pursuant to Instruction 2 to Exchange Act Rule 14d-1(d). According to the Issuer’s shareholders lists dated as of January 29, 2021 (the “*Shareholders Lists*”), the Issuer had 3,717,504,871 Shares outstanding, including 157,276,812 Shares underlying the outstanding ADSs. Excluding the Shares held by the Promoter Group the Issuer had 1,668,886,083 Shares outstanding (the “*Undiluted Share Capital*”) at the time of the Tender Offer.
- (c). Foreign portfolio investment is one of the routes of foreign investment in India. Prior to making such investments in India, every entity is required to register itself with SEBI as a foreign portfolio investor and obtain a SEBI registration number.<sup>14</sup> The application form prescribed by SEBI for registration as a foreign portfolio investor requires the applicant to specify its country of residence or incorporation, establishment or registration. Amongst

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<sup>13</sup> We have been advised that the process of establishing a custodial account in India where ADS holders can take delivery of the Shares underlying their ADSs (including obtaining a PAN and completing “know your customer” documentation) typically takes 21 to 35 days but ultimately depends on various factors, including the time to complete the requisite documents, verification of the documentation and governmental agency response time. We have been further advised by the Depository that ADS holders who have established a custodial account in India where they can take delivery of the Shares underlying their ADSs and who have completed local delivery instructions to the holder’s custodial account typically become a holder of such Shares within two to three business days of their request to withdraw such Shares from the depository facility.

<sup>14</sup> “Foreign portfolio investors” are institutional investors registered with the SEBI that are permitted to invest in specified securities in India under a portfolio investment route as opposed to a foreign direct investment route. Foreign direct investment in an Indian company generally involves a long-term investment whereby the investor typically participates in the affairs of the company to some extent. Conversely, portfolio investments are more temporary investments that are not intended to result in an investor acquiring control or otherwise participating in the affairs of an Indian company.

other things, a foreign portfolio investor is allowed to trade in the shares which are listed on Indian stock exchanges. The Promoter Group submits that the names and details of SEBI registration number of foreign portfolio investors and their country of residence or incorporation, establishment or registration, are publicly available. Under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Issuer is required to submit a breakdown of its shareholders by category, including the percentage of Shares held by foreign portfolio investors, to the Indian Stock Exchanges on a quarterly basis. This information is publicly disclosed on the websites of the Indian Stock Exchanges and is compiled by the Issuer's registrar and transfer agent (the "*Transfer Agent*") on the basis of beneficial shareholding positions provided by the depositories.

- (d). The Promoter Group has calculated the level of U.S. ownership of the Issuer in accordance with Instruction 2 to Exchange Act Rules 13-4(i) and 14d-1(d) ("*Instruction 2*"). To ascertain the holders of Shares resident in the U.S. as provided under Exchange Act Rule 12g3-2(a) and Exchange Act Rule 12g5-1, the Promoter Group has made inquiries (as explained below) of the Transfer Agent and depositories to "look through" the shareholding of custodians, brokers and other nominees located in the U.S., India and other jurisdictions to ascertain the amount of Shares held by beneficial holders of Shares resident in the U.S. A review of the individual shareholders listed on the Issuer's Shareholders Lists revealed a total of 157,276,812 Shares held by individuals with U.S. addresses (amounting to approximately 9.4% of the Undiluted Share Capital) and the Promoter Group has assumed such holders to be U.S. holders as of January 29, 2021 within the meaning of Instruction 2. The Shareholders Lists also disclosed a number of institutional investors that, while listing the Indian address of their respective custodians, might represent ownership of the Shares by U.S. holders. The depositories have provided the Promoter Group with details of the beneficial shareholders, including the number of Shares held by beneficial shareholders resident in India and the identities and number of Shares held by each of the beneficial shareholders designated as foreign institutional investors or foreign portfolio investors. An ownership analysis of the institutional holders of Shares to determine the number of Shares held by U.S. holders as of January 29, 2021 has been conducted based on information from the Shareholders Lists and from information available on the website of SEBI, and it was estimated that an additional 237,808,619 Shares (or 14.3% of the Undiluted Share Capital) were held by U.S. holders. Aggregating the shareholding percentages of U.S. individual and institutional shareholders (based on the ownership analysis and on the assumption regarding ownership as described above), the Promoter Group estimates that the ownership of Shares by U.S. residents as of January 29, 2021 was an aggregate of 395,085,431 Shares (or 23.7% of the Undiluted Share Capital). The Issuer is also a foreign private issuer, as defined in Exchange Act Rule 3b-4, and meets all other conditions of Exchange Act Rule 14d-1(d)(1). In addition, the Promoter Group will comply with all applicable U.S. tender offer laws other than those for which an exemption has been provided. Accordingly, the Promoter Group is proceeding on the understanding that the Tender Offer is eligible for the "Tier II" exemptions under Exchange Act Rule 14d-1(d).

#### IV. DISCUSSION

- (a). As the Staff knows, Rule 14e-1(a) provide that a tender offer must remain open for a minimum of 20 business days. By contrast, Regulation 18(8) of the SAST Regulations requires that the tendering period of a tender offer shall remain open for a fixed period of 10 working days, and does not allow any reduction or increase of that fixed period.
- (b). In addition, Regulation 18(9) of the SAST Regulations prohibits shareholders who have tendered their shares in acceptance of the offer from withdrawing such acceptance during the tendering period, which directly conflicts with the right granted pursuant to Rule 14d-7(a) for any person who has deposited securities pursuant to a tender offer to withdraw such securities while the tender offer remains open.
- (c). If the exemptive requested herein is granted, the Tender Offer will comply with all Exchange Act requirements applicable to a tender offer eligible under the Tier II exemption. Under Regulation 18(8) of the SAST Regulations, the tendering period of the Tender Offer must remain open for Public Shareholders to accept and tender for a fixed period of 10 working days (the “*Tendering Period*”) which cannot be reduced or increased.
- (d). Pursuant to Regulation 33 of the SAST Regulations, SEBI has the power to issue clarifications or guidelines to remove difficulties in the interpretation or application of the SAST Regulations. Indian counsel has advised that such difficulties in the interpretation or application of the SAST Regulations are primarily in the context of conflicts with other applicable Indian laws and, hence, is not applicable to the Tender Offer. SEBI’s powers to grant procedural exemptions under the SAST Regulations are set out in Regulation 11. According to this Regulation, SEBI may only either: (i) grant exemptions from the obligation to make a tender offer (Regulation 11(1)), or (ii) grant relaxation from strict compliance with certain procedural requirements in case the central government of India or an Indian state government has superseded the board of directors of the target company (Regulation 11(2)). Neither (i) nor (ii) is applicable to the Tender Offer.
- (e). SEBI has, in the past and in the context of the buyback offers, denied requests made by the Indian listed companies for increasing the tendering period to comply with Rule 14e-1(a). This is despite the fact that the relevant regulations governing buybacks under Indian law have a provision under which SEBI has the power to grant relaxation from strict enforcement of any requirements in relation to a buyback offer, as set out under such regulations (Regulation 25A of the Buyback Regulations).<sup>15</sup>

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<sup>15</sup> SEBI denied Redington (India) Limited’s request for a exemptive relief and directed the company to follow the extant Regulation 9(iv) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (“*Buyback Regulations*”) (see the no-action letter issued by the Office of Mergers and Acquisitions, Division of Corporate Finance dated October 17, 2018 in re Partial Cash Tender Offer for Shares of Redington (India) Limited). In re Partial Cash Tender Offer for Shares of Mphasis Limited (see the incoming letter and the letter dated November 5, 2018), the manager to the buyback offer reached out to SEBI with included an inquiry about whether the duration of the tender offer period for the buyback offer can adhere to a 20 business days tender offer period instead of 10 working days as mentioned in the Buy Back Regulations. SEBI responded to this inquiry by email to the manager

- (f). Indian counsel has also confirmed that, apart from Regulation 11, SEBI does not have any further powers under the SAST Regulations to grant any procedural exemptions and there is no legal process under the SAST Regulations that would either enable or empower SEBI to grant, reject or react to an application for an exemption not contemplated by the SAST Regulations.<sup>16</sup> Further, to the best of the knowledge of Indian counsel, based on publicly available information and their transactional experience, SEBI has not granted an exemption from the tendering period requirement or the withdrawal prohibition so as to permit a tender offer to be open for 20 business days in compliance with Rule 14e-1(a) or to allow shareholders who have tendered their shares in acceptance of the offer to withdraw their acceptance during the tendering period. While a request for such exemptions from SEBI has not been made with respect to the Tender Offer, based on the fact that SAST Regulations do not grant any further powers to SEBI to grant such procedural exemptions and there is no legal process in place that would require SEBI to grant, reject or react to an application for an exemption not contemplated under SAST Regulations, the Promoter Group has no reason to expect that SEBI would grant an exemption in connection with the Tender Offer if requested.
- (g). The Staff has previously issued exemptive relief and no-action letters relating to Rule 14d-7(a) in *Patni Computer Systems Limited* (available February 9, 2011) and *Satyam Computer Services Limited* (available April 28, 2009) and relating to Rule 14e-1(a) in numerous instances involving Indian tender offers. *See Infosys Limited*, (available August 16, 2017). *See also Satyam Computer Services Limited* (available April 28, 2009), *Patni Computer Systems Limited* (available February 9, 2011), *Just Dial Limited* (available January 29, 2016), *Marble II Pte. Ltd.* (available June 28, 2016), *Sun Pharmaceutical Industries Ltd.* (available July 19, 2016), *Mphasis Limited* (available April 7, 2017), *HCL Technologies Ltd.* (available September 4, 2018), *Redington (India) Ltd.* (available October 17, 2018), *Mphasis Limited* (available November 5, 2018), *Just Dial Limited* (available November 30, 2018), *Adani Ports and Special Economic Zone Limited* (available August 1, 2019) and *KPIT Technologies, Limited* (available June 27, 2019).
- (h). Further, in accordance with Regulation 7(6) of the SAST Regulation and Regulation 4(2)(c)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Tender Offer has to be made to all Public Shareholders and has to be made on equal terms.
- (i). In view of paragraph (h) above, U.S. holders of the Shares cannot be excluded from the Tender Offer or be offered different terms from those offered to non-U.S. holders, including with respect to the fixed period of 10 working days for which the Tender Offer

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stating: “In this regard, you, as Manager to the Offer, are advised to ensure that the proposed buyback is in compliance with provisions of SEBI (Buyback of Securities) Regulations, 2018 including Regulation 9(vi) of SEBI (Buyback of Securities) Regulations, 2018.”

<sup>16</sup> Specifically with respect to withdrawal rights, Promoter Group’s financial advisor has discussed the possibility of relief from SAST Regulation 18(9) with SEBI officials. SEBI has declined to grant a waiver from SAST Regulation 18(9) to permit withdrawal rights in the current offer.

must be open under the SAST Regulations. A holder of ADSs may participate in the Tender Offer by delivering his or her ADSs to the depository for cancellation and directing the depository to cause the Shares underlying such ADSs to be withdrawn and delivered to such holder. ADS holders who withdraw Shares from the depository facility will be able to re-deposit such Shares (including any Shares not accepted in the Tender Offer) into the depository facility.<sup>17</sup> ADS holders whose Shares are accepted will not be subject to any withdrawal or cancellation fees associated with the cancellation of ADSs. We note that ADS holders have been on notice since the publication of the Detailed Public Statement on January 15, 2021 of the coming pendency of the Tender Offer and the process required to tender Shares represented by ADSs. Moreover, the Draft Letter of Offer, which was published on SEBI's website on January 20, 2021 and furnished by the Issuer on a Form 6-K, clearly stated that ADS holders who wish to tender in the Tender Offer "must have, or must establish, a custodian or brokerage (demat) account in India to receive such Equity Shares prior to presenting their ADS to the Depository for cancellation" and that "[e]stablishing such custodian or brokerage (demat) account may be subject to delay as a result of operational procedures and as the opening of such account may be subject to regulatory approvals in India." Therefore the ADS holders have had over 45 calendar days from the date of the publication of the Detailed Public Statement to the date hereof to address any logistical considerations with respect to withdrawing and tendering their Shares. The Letter of Offer will refer to this arrangement and the associated ability to withdraw Shares for the purpose of tendering into the Tender Offer and redeposit if tendered Shares are subject to proration without withdrawal and cancellation fees.

- (j). As the Promoter Group is required to provide Public Shareholders with the opportunity to participate in the Tender Offer on equal terms, the Promoter Group intends to structure the Tender Offer as a single worldwide tender offer, including the United States.
- (k). With respect to the Tender Offer, the Promoter Group will dispatch the Letter of Offer to all Public Shareholders (whose names appear on the register of members of the Issuer as of the identified date) in electronic/physical form as discussed above, including Public Shareholders in the United States. Consistent with the manner in which the Issuer communicates with shareholders regarding ongoing corporate developments, the Letter of Offer will be provided by e-mail to Public Shareholders, including to custodians in India, where applicable, whose email addresses are registered with the Issuer/Transfer Agent. Based on the Promoter Group's discussions with a number of custodians operating in India, the Promoter Group understands that the custodians would typically use electronic means of communication, such as e-mail, to promptly forward such shareholder materials to beneficial shareholders in the United States. The Promoter Group believes that e-mail

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<sup>17</sup> We have been advised that the number of ADSs outstanding at any time must not exceed a specified maximum (we refer to the difference between the number of ADSs outstanding and the specified maximum as the "Headroom"). For all ADSs submitted for cancellation from the date of this letter through the final day of the Tendering Period, the depository will ensure that there remains sufficient Headroom for the Shares withdrawn pursuant to such cancellation to be able to be re-deposited in the depository facility, provided that the requisite instructions are given within 30 days after expiration of the Tendering Period. Withdrawn Shares for which such instruction is not given within the specified period may be re-deposited to the extent there is available Headroom.

addresses are available for over 90% of the Public Shareholders and 90% of U.S. Shareholders.

- (l). As required under Regulation 18(8) of the SAST Regulations, the tendering period must be opened on or before the twelfth working day from the date of receipt of final comments from SEBI on the Draft Letter of Offer, and the Letter of Offer needs to be dispatched on or before the seventh working day from the date of receipt of final comments from SEBI on the Draft Letter of Offer. The Promoter Group confirms that it will dispatch the Letter of Offer on or before the sixth working day from the date of receipt of the relief sought herein,<sup>18</sup> and it will open the Tendering Period no earlier than 6 working days from the dispatch of the Letter of Offer. Therefore, at a minimum, a period of 15 working and business days (or approximately 21 calendar days) will lapse between the dispatch of the Letter of Offer and closure of the Tendering Period.
- (m). The price per Share offered in the Tender Offer was determined pursuant to the rules under Regulations 8(1) and 8(2) of the SAST Regulations.
- (n). As mentioned above, the Tender Offer Public Announcement was made on January 9, 2021 in accordance with SAST Regulations, in which the Promoter Group disclosed the Offer Price and the Offer Size. The Tender Offer Public Announcement, Corrigendum to PA, Detailed Public Statement, the Draft Letter of Offer and Corrigendum to Detailed Public Statement and Draft Letter of Offer are also available on the websites of SEBI and the Indian Stock Exchanges. In addition, the Promoter Group will dispatch the Letter of Offer to all Public Shareholders (whose names appear on the register of members of the Issuer as of the identified date), including Public Shareholders in the United States, containing the terms and conditions of the Tender Offer. These materials will contain, among other things, information relating to the purposes of the Tender Offer, the main terms of the Tender Offer (including the price per Share), the maximum number of Shares sought, procedure for tendering of Shares, the source and amount of funds for the Tender Offer, and Share ownership information, which is similar to the information that would otherwise be provided to U.S. shareholders in connection with a tender offer pursuant to Exchange Act Regulation 14D. The Letter of Offer will be provided by e-mail and/ via post as described above. On the date the Letter of Offer is dispatched to the Public Shareholders, the Promoter Group will publish a notice in the national print edition of The New York Times disclosing the price per Share sought in the Tender Offer, the maximum number of Shares sought in the Tender Offer, the period during which the Tendering Period will be open and that the Letter of Offer has been sent to the Public Shareholders and is available of the official website of SEBI and Indian Stock Exchanges. Once the Tender Offer Public Announcement has been made, the Tender Offer can be withdrawn only under limited

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<sup>18</sup> Promoter Group has received final comments from SEBI on the Draft Letter of Offer on February 16, 2021 and were required to dispatch the Letter of Offer by February 26, 2021. However, as this request for relief remains pending, the Manager to the Tender Offer submitted an application dated February 25, 2021 to SEBI on behalf of the Promoter Group requesting SEBI to allow the Promoter Group to dispatch the Letter of Offer within 7 working days from the receipt of the relief requested herein and to open the Tendering Period within 12 working days from the granting of such relief by the Commission. On March 2, 2021, SEBI accepted the said request.

circumstances.

- (o). All purchases pursuant to the Tender Offer, as the case may be, will be paid for in Indian Rupees, including to Public Shareholders who are resident outside India. Payments must be made within 10 working days from the last date of the Tendering Period, as required by the SAST Regulations. The Acquirer and/ or PAC(s) intend to complete the payment of consideration as promptly as practicable and in any case within 10 working days from the last date of the Tendering Period. Even though Indian law allows for a 10 working day period, the Acquirer and the PACs believe that such payment will be made within five working days from the last date of the Tendering Period. The Promoter Group is proceeding on the understanding that, pursuant to the exemptions granted by Exchange Act Rule 14d-1(d)(2)(iv), payment within this time period will satisfy the “prompt payment” requirements of Exchange Act Rule 14e-1(c). As the Promoter Group undertakes not to change during the Tendering Period the Offer Price per Share or to increase the number of Shares being sought from what will be set out in the Letter of Offer, the Promoter Group is not seeking exemptive relief from Exchange Act Rule 14e-1(b). The Promoter Group may, at its discretion, opt to increase the Offer Price per Share and/or increase the number of shares sought prior to the commencement of the Tendering Period, in accordance with provisions of the SAST Regulations. Such increase would require an additional publication of notice to shareholders. In the event of any such increase, the Promoter Group undertakes to publish the additional notice in the U.S. in the same manner as the Letter of Offer.
- (p). With respect to the request for relief from the Commission’s rules regarding withdrawal rights, we respectfully submit that the important policy considerations underlying mandatory withdrawal rights pursuant to Rule 14d-7(a) are not implicated in the present instance. As noted above, in removing the withdrawal rights present in the Old Code, SEBI determined that, due to the fact that the terms of an open offer could not be materially changed following commencement of the tendering period, withdrawal rights were not necessary to protect investors in an open offer. In the present case (i) no reduction in the Offer Size is permitted under the SAST Regulations, (ii) the Promoter Group undertakes not to change during the Tendering Period the Offer Price per Share or to increase the number of Shares being sought and (iii) Indian counsel has confirmed that under the SAST Regulations, the timeline for making a competing offer (as understood under the SAST Regulations) has lapsed, and therefore there can be no competing offer (as understood under the SAST Regulations) in the present situation. Therefore, holders of the Shares will have knowledge of all material terms of the Tender Offer prior to tendering their Shares, and such terms will not change following their tender. There is thus no need to preserve the ability of shareholders to withdraw until the expiration of the Tender Offer. The Commission itself has determined that withdrawal rights are not required in the context of a subsequent offering period, during which the number of shares sought and the price per share being offered are fixed in advance of commencement of the subsequent offer.<sup>19</sup> For the foregoing reasons, we believe that the requested relief from Rule 14d-7(a) is

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<sup>19</sup> See Rule 14d-7(a)(2).

appropriate in this instance.

- (q). The Promoter Group confirms that except for the withdrawal right requirements under 14d-7(a) and the timing requirements under 14e-1(a) from which relief is requested herein, the Tender Offer will comply with all applicable rules under the Exchange Act.

### Conclusion

Tender offers in India, including the Promoter Group's proposed Tender Offer, are subject to the Indian regulatory regime as prescribed under the SAST Regulations. Due to the conflict between the tender offer rules under the Exchange Act and mandatory Indian law requirements, in the absence of no-action and exemptive relief, the Tender Offer cannot be implemented without violating either the U.S. or Indian regulatory regimes. The Promoter Group accordingly respectfully requests exemptive relief from Rule 14e-1(a) to permit it to keep the Tendering Period open for a period of 10 working days in accordance with applicable Indian laws and regulations and to permit the Tender Offer to proceed without withdrawal rights. The exemptive relief requested will enable the Promoter Group to avoid issues arising out of inconsistencies between Rule 14e-1(a) and Rule 14d-7(a) and Indian legal requirements with respect to the Tender Offer.

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If you have any questions or require any additional information, please contact the undersigned at (202) 637-2377.

Sincerely,

/s/ Paul Dudek

Paul Dudek  
of LATHAM & WATKINS LLP

cc: Deepak Kumar, *Vedanta Resources Limited*  
Rajiv Gupta, *Latham & Watkins LLP*  
William Hackett, *Latham & Watkins LLP*  
Arindam Ghosh, *Khaitan & Co*  
Abhishek Dadoo, *Khaitan & Co*

March 13, 2021



14 March 2021

Ted Yu, Esq., Chief  
Christina E. Chalk, Esq., Senior Special Counsel  
Office of Mergers and Acquisitions  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549  
U.S.A

Re: **Partial Tender Offer for Shares of Vedanta Limited**

Dear Mr Yu and Ms Chalk

We are acting as the India legal advisers to Vedanta Resources Limited (“**Acquirer**”) and certain affiliated entities who are acting in concert with the Acquirer namely, Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited (collectively “**PACs**”) and together with the Acquirer, the “**Promoter Group**”) in connection with the voluntary cash tender offer made in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SAST Regulations**”) to purchase the shares of Vedanta Limited, a public limited company organized under the laws of India, referred to as a public offer under Indian Law (the “**Open Offer**”).

In such capacity, we have been requested to review the letter dated 13 March 2021, prepared by Latham & Watkins LLP on behalf of the Promoter Group requesting certain reliefs in connection with the Open Offer (the “**Letter**”) and to provide you this letter to support the description of Indian law, regulation and practice, and in particular to support the statements relating to the SAST Regulations, as amended, described in the Letter (the “**Support Letter**”).

For the purposes of this Support Letter, we have only examined an electronic copy of the Letter and no documents have been reviewed by us in connection with this Support Letter other than the Letter. Accordingly, we shall limit our views to the Letter and certain Indian legal matters described therein.

Based on the foregoing and subject to the qualifications set out below, we confirm that, in our opinion, the descriptions of Indian law and regulations in the Letter are fair, accurate and, as regards the aspects of the Open Offer described in the Letter for which reliefs have been requested therein, complete in all material respects and, in our view, the descriptions of Indian practice in the Letter are fair and accurate and, as regards the aspects of the Open Offer described in the Letter for which reliefs have been requested therein, complete in all material respects. In particular with respect to discussions about withdrawal rights in the Open Offer, unlike the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“**Old Code**”) <sup>1</sup>, under the

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<sup>1</sup> Regulation 22(5A) of the Old Code states that: “The shareholder shall have the option to withdraw acceptance tendered by him upto three working days prior to the date of closure of the offer.”



**KHAITAN  
& CO**

*Advocates since 1911*

SAST Regulations (which replaced the Old Code) the shareholders who have tendered their equity shares in acceptance of the open offer are not entitled to withdraw such acceptance.<sup>2</sup>

This Support Letter is confined to and given on the basis of the laws and regulations of India in force on the date hereof. Such laws and regulations are subject to interpretation by the competent authorities, including the Securities and Exchange Board of India. Such interpretation is subject to change without advance notice and the competent authorities may disregard past precedents.

Furthermore, many provisions in the law are principle based and application thereof implies discretion. In the absence of explicit statutory law, we base our opinion and view solely on our independent professional judgment. This Support Letter is further confined to the matters stated herein and the Letter, and is not to be read as extending, by implication or otherwise, to any other matter.

This Support Letter is as of the date hereof and we assume no obligation to advise you of any changes in fact or in law that are made or brought to our attention hereafter.

The lawyers of our firm are members of the Indian bar and do not hold themselves out to be experts in any laws other than the laws of India. Accordingly, we are expressing herein views as to Indian law only and we express no view with respect to the applicability or the effect of the laws of any other jurisdiction to or on or in connection with the matters covered herein.

This Support Letter is governed by and shall be construed in accordance with the laws of India.

Sincerely yours

Khaitan & Co  
One World Center  
10<sup>th</sup> & 13<sup>th</sup> Floors, Tower 1C  
841 Senapati Bapat Marg  
Mumbai 400 013  
India

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<sup>2</sup> See, Regulation 18(9) of the SAST Regulations.