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### **Statement re. Indian Budget**

Vedanta Resources plc ("Vedanta") comments on the Budget delivered today to the Indian parliament.

The budget promises a continuation of policies to grow the economy and encourage inward investment, it also includes plans for a significant increase in spending on infrastructure, which will further drive the growth in Indian metal demand in the future. Vedanta will be well positioned to meet this demand with its \$2bn capital investment programme.

Tariff reductions of 5% in Zinc, Copper and Lead were made, with no change to aluminium. This sets tariffs on all our main commodities at 15% going forward. Vedanta estimates that the impact of this will be a reduction of around \$30m EBITDA for the nine months to March 2005.

Peter Sydney Smith, Finance Director of Vedanta commented:

"This is the first budget of the new Government and indicates their commitment to growing the Indian economy and investing in infrastructure. This is not only positive for India, but will drive demand for all our products over the medium term."

"At Vedanta we aim to become a global low cost producer of metals and we are not dependent on tariffs to protect our business. This tariff reduction has been quicker than we anticipated but, in the long-term, tariff reductions are positive for our company as lower barriers to trade will fuel the continued dynamic growth of the Indian economy."

- ends -

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## **Notes to Editor**

Vedanta is a diversified metals and mining group with zinc, copper and aluminium operations in India and two copper mines in Australia.

Vedanta holds its interests in these operations through two Indian-listed subsidiaries, Sterlite and the Madras Aluminium Company ("Malco").

Sterlite is Vedanta's principal subsidiary and is currently listed on the Bombay Stock Exchange. Vedanta, through its wholly owned subsidiaries, currently owns 62.4 per cent. of the issued share capital of Sterlite. In addition, Malco owns a further 7.13 per cent. of Sterlite. As a result, Vedanta currently has an effective interest of 68.1 per cent. in Sterlite.

Vedanta's copper operations are owned and operated by Sterlite. Sterlite also holds a 64.9% stake in the group's zinc business, Hindustan Zinc Ltd ("HZL"), and 51% of the Bharat Aluminium Company ("Balco").