

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO.1699**  
ANSWERED ON 04.08.2025

**DOMESTIC EXPLORATION AND POLICY ON RARE EARTH MINERALS**

1699. SHRI VIVEK K. TANKHA:

Will the Minister of MINES be pleased to state:

- (a) whether India has made significant progress in the exploration and development of rare earth and critical minerals, and the reasons for any delays;
- (b) the number and status of rare earth mineral blocks auctioned so far, and whether private sector exploration has been incentivised;
- (c) the policy initiatives, including those under the National Critical Minerals Strategy, to boost domestic availability and reduce import dependence; and
- (d) the steps taken to enhance domestic processing capacity, including magnet and oxide production, to support the high-tech and renewable energy industries?

**ANSWER**

THE MINISTER OF COAL AND MINES  
(SHRI G. KISHAN REDDY)

(a): The Geological Survey of India (GSI), an attached office of the Ministry of Mines, has prioritized and intensified the exploration of critical and strategic minerals. GSI carried out 628 mineral exploration projects on various critical and strategic minerals including 261 projects exclusively targeting Rare Earth Elements (REEs) from field seasons 2020-21 to 2024-25. In the field season 2025-26, GSI has taken up 230 mineral exploration projects for critical minerals specified in Part D of First Schedule to the MMDR Amendment Act, 2023, of which 94 projects are focused on the exploration of REEs.

Further, the National Mineral Exploration Trust (NMET), Ministry of Mines also provides funding support to Notified Exploration Agencies and Notified Private Exploration Agencies to boost domestic availability of critical minerals in the country. So far, 196 projects on critical and strategic minerals amounting to Rs 575 crores has been sanctioned by NMET.

(b): The Central Government has successfully auctioned the Nawatola-Laband REE Block located in Uttar Pradesh. Additionally, two blocks i.e. Katghora Lithium Block in Chhattisgarh

and Dombarahalli Phosphate Block, Karnataka have also been auctioned in which REE are associated with other minerals.

As regards incentivisation of private sector, the following incentives are provided through National Mineral Exploration Trust (NMET):

- (i) 100% funding for mineral exploration projects of Notified Private Exploration Agencies.
- (ii) Support for holders of Exploration Licenses and Composite Licenses by reimbursing exploration expenses upto 50% of the total expenditure incurred.
- (iii) Exploration incentive of 25% of the approved projects cost of the G4 items for critical, strategic and deep-seated minerals to the exploration agencies if the block is successfully auctioned or upgraded to G3 stage.

(c) & (d): The MMDR Amendment Act, 2023 has empowered the Central Government to exclusively auction mining lease and composite licence for 24 critical minerals listed in the new Part-D of the First Schedule to the said Act which includes the minerals of the "rare earths" group not containing Uranium and Thorium. Till date, 34 critical and strategic mineral blocks have been successfully auctioned by the Central Government.

The Government has also launched National Critical Mineral Mission in January, 2025 with an aim to secure a long-term sustainable supply of critical minerals and strengthen country's critical mineral value chains encompassing all stages from mineral exploration and mining to beneficiation, processing and recovery from end-of-life products. The Ministry of Mines under its S&T programme also funds Research and Development projects in critical and strategic minerals processing.

In order to support the critical minerals processing in the country, the Government has eliminated customs duties for most of the critical minerals and reduced Basic Customs Duties (BCD) on two minerals in the Union budget 2024-25. During 2025-26 Union Budget, the Government has exempted cobalt powder and waste, the scrap of lithium-ion battery and scrap of some critical minerals.

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