

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 1425
ANSWERED ON 04.12.2024

NATIONAL POLICY ON CRITICAL MINERALS

1425 SHRI MANICKAM TAGORE B:

SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:

Will the Minister of MINES be pleased to state:

- (a) the specific steps the Government is taking to formalize and prioritize its list of critical minerals to better align with national economic and security needs;
- (b) manner in which the Government plans to address the policy gaps in its National Mission on Critical Minerals particularly in relation to tax incentives, Foreign Direct Investment (FDI) reforms and the establishment of strategic reserves;
- (c) the details of strategies being considered to enhance domestic mining and processing capabilities and the manner in which the Government proposes to attract foreign investment and technology transfers to support these efforts;
- (d) the manner in which India's participation in international collaborations such as the U.S.- led Mineral Security Partnership (MSP) influence its ability to secure critical mineral supplies and reduce dependency on specific countries like China; and
- (e) the details of measures being proposed to integrate innovation and sustainability into India's critical minerals strategy including research in sustainable mining practices, recycling technologies and environmental regulations?

ANSWER

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

(a) The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR) has been amended through the MMDR Amendment Act, 2023 w.e.f 17.08.2023.

The Amendment Act, 2023 provides for:

- i) A list of critical and strategic minerals in Part D of Schedule-I.
- ii) Omission of six minerals from the list of 12 atomic minerals in Part B of Schedule-I namely Lithium, Titanium, Beryl and beryllium bearing minerals, Niobium, Tantalum and Zirconium bearing minerals and their inclusion in the list of 24 critical & strategic minerals.
- iii) Section 11D of the Act, which empowers Central Government to exclusively auction mining lease and composite licence for critical & strategic minerals specified in Part D of the Schedule-I.

iv) Exploration licence for 29 minerals included in Schedule-VII of the Act.

In Addition, Ministry of Mines has been empowered to auction blocks for grant of Exploration Licence through an order dated 21st Oct 2024 under section 20A of MMDR Act 1957.

(b) and (c) Union Finance Minister in the Union Budget 2024-25 has announced the setting up of a Critical Mineral Mission for domestic production, recycling of critical minerals and overseas acquisition of critical mineral assets on 23rd July, 2024.

In order to enhance the domestic mining and processing capabilities and attract foreign investment and technology transfer, Ministry of Mines is taking a multipronged approach, as following:

- i. To enhance the exploration program for identifying potential mining sites in order to boost domestic production for the critical and strategic minerals, Geological Survey of India (GSI), in current year 2024-25, has taken up 195 mineral exploration projects for critical and strategic minerals across the country.
- ii. Ministry has also focused on funding various projects of mining exploration through National Mineral Exploration Trust (NMET). So far, NMET has funded 139 projects of critical minerals through various exploration agencies.
- iii. To encourage private participation in exploration, Ministry of Mines has notified 28 private exploration agencies (NPEAs). These agencies are taking up exploration projects through funding from NMET.
- iv. Central Government has auctioned 24 blocks for critical and strategic minerals.
- v. Further, 100% FDI is allowed under 'Automatic' route for mining and exploration of metal and non-metal ores. A foreign company may incorporate an Indian subsidiary company or invest in an existing Indian company to become eligible for grant of mining and exploration rights.
- vi. To support the critical minerals sector, Government has eliminated customs duties on 25 minerals and reduced Basic Customs Duties (BCD) on 2 minerals.
- vii. Ministry of Mines is engaged in various multilateral and bilateral platforms for strengthening the critical minerals value chain, focusing on multiple objectives, including the processing and recycling of critical minerals such as Minerals Security Partnership (MSP) and the Indo-Pacific Economic Framework (IPEF), initiative on Critical and Emerging Technologies (iCET) and others.

(d) The Ministry of Mines has also entered into bilateral agreements with the resource rich countries and multilateral platforms like MSP, IPEF to secure critical minerals and access to the latest technologies in the exploration and development of critical minerals.

Further, KABIL, a JV of Ministry of Mines, has acquired an area of 15703 Ha in the Catamarca province of Argentina, for exploration and mining Lithium.

(e) Ministry of Mines has been promoting R&D and technological innovation in mining and metallurgy sector through its Science and Technology Programme. It has recently been decided that due to increased emphasis on critical minerals in emerging

technologies and innovation, more and more projects on critical minerals are being encouraged under Science and Technology (S & T) Programme of Ministry of Mines. Accordingly, focus on extraction of strategic and critical minerals has been added in the thrust area of the Programme. A total of 11 projects related to Critical Minerals have been sanctioned under said Programme during 2024-25 till 28.11.2024.

Ministry of Mines has implemented Sustainable Mining by making provisions under Chapter-V of Mineral Conservation and Development Rules (MCDR), 2017. Provisions have been incorporated in the Rules for precaution against air pollution, prevention of discharge of toxic liquid, precaution against noise, control of surface subsidence etc.

Rule 35 of MCDR, 2017 provides for star rating of the mining leases based on the sustainable mining practices adopted by the miners. Further, as per Rule 35 (4) of MCDR, 2017, every holder of a mining lease shall achieve at least three-star rating within a period of four years from the date of commencement of mining operations and thereafter maintain the same on year-on-year basis.
