GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2831
ANSWERED ON 18.03.2025

IMPORT OF CRITICAL MINERALS FOR EVs

2831. SHRI B Y RAGHAVENDRA:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

(a) whether the promotion of electric vehicles through the FAME India Scheme (Phase-I and II) has led to an increase in the import of critical minerals like lithium and cobalt, if so, the data on these imports during the last five years;

(b) the main challenges faced by the country in securing critical minerals for EVs;

(c) the steps taken to reduce India's dependence on imported lithium, cobalt, and other key materials required for EV batteries; and

(d) whether the Government is working on any long-term strategy, such as domestic exploration, partnerships, or recycling initiatives, to ensure the availability of lithium and cobalt for the growing EV market?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a): No such study has been conducted by the Ministry of Heavy Industries.

(b): The country is greatly dependent on other Asian countries for raw materials, mineral processing, battery and other basic requirements for production and promotion of e-vehicles in the country, since the basic raw material for production of electric vehicles is lithium and other critical materials. At present, investments in manufacturing and overall value addition for Advanced Chemistry Cells (ACCs) are negligible in India and almost entire domestic demand of ACCs is still being met through imports. In order to reduce dependency of imported ACC battery for electric vehicles, the Government on 12th May, 2021 approved a Production Linked Incentive (PLI) Scheme for manufacturing of Advance Chemistry Cell (ACC) in the country. The total outlay of the scheme is Rs.18,100 Crore for a period of 5 years. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country (50 GWh).

(c) & (d): As per the information received from Ministry of Mines, the Union Cabinet has approved the launch of the National Critical Mineral Mission (NCMM) on 29th January, 2025, for a period of seven years from 2024-25 to 2030-31, with a proposed expenditure of Rs.16,300 crore and an expected investment of Rs.18,000 crore by Public Sector Undertakings (PSUs) and other stakeholders. The NCMM aims to secure a long-term sustainable supply of critical minerals and strengthen India's critical mineral value chains encompassing all stages from mineral exploration and mining to beneficiation, processing, and recovery from end-of-life products.

In order to boost domestic production and reduce India's dependence on imported lithium, cobalt and other key materials required for EV batteries, the Government of India has taken significant steps, which are as under:

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 24 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 aforesaid 24 critical and strategic minerals.
iii. Section 11D of the Act, which empowers Central Government to exclusively auction mining lease and composite license for critical & strategic minerals specified in Part D of the Schedule-I.
iv. Exploration license 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 License through an order dated 21st October, 2024 under Section 20A of MMDR Act 1957. Central Government has successfully auctioned 24 blocks of critical and strategic minerals in 04 tranches in 2024.

The exploration of critical minerals has been significantly increased. Over the past three years, the Geological Survey of India (GSI) has undertaken 368 exploration projects focused on critical and strategic minerals. In the FY 2024-25, 195 projects are being executed, and 227 projects have been approved for the upcoming financial year.

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.

To support the critical minerals sector, Government has eliminated customs duties on 25 minerals and reduced Basic Customs Duties (BCD) on 2 minerals in the Union Budget for 2024-25.

In the Union Budget 2025-26, the Government proposed to fully exempt cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals to secure their availability for manufacturing in India and promote more jobs for India's youth.

Ministry of Mines is engaged in various multilateral and bilateral platforms for strengthening the critical minerals value chain, focussing 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), the UK-India Technology Security Initiative (TSI) and others.

The Ministry of Mines has taken a significant step to acquire overseas mineral assets through the establishment of a joint venture company, Khanij Bidesh India Ltd. (KABIL). Its overarching mission is to identify and acquire overseas mineral assets that hold critical and strategic significance, specifically targeting minerals like Lithium, Cobalt and others. KABIL has signed an Exploration and Development Agreement with CAMYEN, a state-owned enterprise of Catamarca province of Argentina, for Exploration and mining of Five Lithium Brine Block in Argentina with an area of around 15,703 Ha.

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