

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
STARRED QUESTION NO. *365
ANSWERED ON 18.03.2026

INCENTIVE SCHEME FOR RECYCLING OF CRITICAL MINERALS

*365. Shri Balabhadra Majhi:
Shri Buntly Vivek Sahu:

Will the Minister of MINES be pleased to state:

- (a) whether the incentive scheme of Rs. 1,500 crore for recycling of critical minerals has been launched and if so, the potential benefit across the country particularly in Chhindwara in Madhya Pradesh, Rajsamand in Rajasthan and Keonjhar Lok Sabha Constituency in Odisha;
- (b) the details of the main provisions of the scheme, eligibility criteria and allocation, State-wise;
- (c) the targeted capacity of mineral recovery to be achieved by 2030 including the estimated share of Madhya Pradesh;
- (d) the advanced technologies being promoted under the Offshore Areas Mineral Rules, 2026 to minimize environmental impacts of deep-sea and offshore mining;
- (e) the progress made in promoting domestic recycling capacity and extraction of critical minerals such as lithium, cobalt and nickel since the scheme's launch; and
- (f) whether the Government is aware that the Nabarangpur Lok Sabha Constituency has mineral resources such as bauxite, graphite, iron ore and manganese and if so, the details of the action plan for sustainable extraction, value addition, recycling and year-wise DMF fund utilization along with initiatives for skill development and employment generation for local youth?

ANSWER

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

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 365 ANSWERED ON 18.03.2026 REGARDING 'INCENTIVE SCHEME FOR RECYCLING OF CRITICAL MINERALS' ASKED BY SHRI BALABHADRA MAJHI AND SHRI BUNTY VIVEK SAHU

(a) to (f): The Scheme Guidelines for the ₹1,500 crore incentive scheme for critical mineral recycling were issued and the Scheme launched on 2nd October, 2025. The Scheme incentivizes creation of recycling capacity for the extraction of critical minerals, including lithium, nickel and cobalt, from used products like Spent Lithium-ion batteries (LiBs) and e-waste to build supply chain resilience and reduce import dependence in critical minerals.

Entities eligible under the Scheme include both large & established recyclers (Group A), with global manufacturing revenue greater than or equal to ₹200 crores, and small & new recyclers including start-ups (Group B). Incentives include capex subsidy on plant & machinery, equipment and associated utilities, as well as opex subsidy on specified incremental sales. Total incentive ceiling per entity is ₹50 crores for Group A and ₹25 crores for Group B recyclers with target annual capacity for mineral recovery by 2030-31 as 270 kilo tons. The Scheme is applicable across the country, including the States of Madhya Pradesh, Rajasthan and Odisha, with no State-specific targets. The last date for submission of applications is 1st April, 2026.

Under the regulatory framework of the Offshore Areas Mineral (Development and Regulation) Act, 2002 and the Offshore Areas Mineral Conservation and Development Rules, 2024, the Government promotes the use of monitoring, compliance and scientific management systems to ensure that offshore mineral exploration and mining operations are carried out in an environmentally responsible manner.

There is no mining lease of major minerals in the Nabarangpur district of Odisha. As per the National Mineral Inventory maintained by the Indian Bureau of Mines, Nabarangpur has 2.65 million tons of Resources for Iron Ore, for which Geological Survey of India has handed over a Geological Memorandum in 2021 to the State Government of Odisha.

District Mineral Foundations (DMF) are managed by district level bodies and monitored by State level monitoring committees. The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) guidelines, 2024 mandates utilization of at least 70 percent of DMF funds in High Priority Sectors such as drinking water supply, health care, education, skill development & livelihood generation, and remaining funds in Other Priority Sectors. The Governing Council of DMF prepares action plans and sanctions projects for utilization of DMF funds. As per information provided by the State Government of Odisha, DMF funds amounting to ₹1.35 crores have been utilized in Nabarangpur district, with ₹75 lakhs, ₹42 lakhs and ₹18 lakhs utilized in the financial years 2019-20, 2020-21 and 2024-25 respectively.
