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Critical and Strategic Minerals in India

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Critical minerals are materials a country needs for clean energy, electronics and defence. Their supply can be hard to secure. India now has a legal category for them.

India has also set a goal of net-zero emissions by **2070**, and these minerals are central to it. This article is a dated snapshot as of **16 October 2026**.

Lithium is a good example. It goes into batteries that power electric vehicles. A country that cannot find, mine or process lithium depends on others for its supply.

What makes a mineral critical and strategic?

Critical means important and hard to secure

A mineral is **critical** when industries need it and its supply is at risk. Each country picks its own list.

In **2023** the Ministry of Mines released a list of **30 critical minerals** for India. The list includes cobalt, copper, graphite, lithium, nickel and rare earth elements. A Ministry committee set up on **1 November 2022** had worked on the identification.

The list can change over time. It is meant to be updated **every three years** or so.

Think of a phone battery. The finished battery is easy to buy. The materials inside it must be mined, then processed. A weak link at either step can stop the whole chain.

Sources: pib.gov.in



Sources: commons.wikimedia.org

Thirty on the list, twenty-four in the law

The list and the law are two different things. The Ministry list names **30 minerals**. The amended Act places **24 critical and strategic minerals** in **Part D of Schedule I** of the MMDR Act, 1957.

The amendment was notified in **August 2023**. The Lok Sabha passed the Bill on **28 July 2023**. The Rajya Sabha passed it on **2 August 2023**.

So the Act covers 24 of the 30. Keep both numbers apart. Use 30 for the Ministry list. Use 24 for Part D as notified in 2023.

Part D has changed since then. In **January 2026** the Government added coking coal. This article therefore gives no fresh Part D count. The 24 is a 2023 figure.

Sources: pib.gov.in

> **Quick check 1.** The 2023 amendment placed all 30 listed critical minerals in Part D. *(True or False?)* See answer ↓

How did the 2023 law change who can mine these minerals?

The Centre now runs the auction

Section 11(D) was inserted in the MMDR Act in 2023. It gives the **Central Government** the power to auction mining leases and composite licences for Part D minerals.

The revenue from these auctions goes to the **State Governments**. The Centre holds the auction. The State receives the money. These are two separate roles.

Imagine a bidder who wins a lithium block. The bid is made to the Centre. The auction premium then flows to the State where the block lies.

Sources: pib.gov.in

Centre Holds the auction under Section 11(D).
Bidder Wins the mining lease or composite licence.
State Receives the auction revenue.

Six minerals left the atomic minerals list

The 2023 amendment removed **six minerals** from the atomic minerals list in **Part B of Schedule I**. They are:

- beryl and other beryllium-bearing minerals
- lithium-bearing minerals

- niobium-bearing minerals
- titanium-bearing minerals and ores
- tantalum-bearing minerals
- zirconium-bearing minerals and ores

Why does this matter? Atomic minerals were reserved for **government entities**. Taking these six off the list opens their mining and exploration to private companies.

Memory hook: Be, Li, Nb, Ti, Ta, Zr. **Copper is not on this list.** Copper is a deep-seated mineral, a different group.

Sources: pib.gov.in



Sources: commons.wikimedia.org

A new licence for deep-seated minerals

The amendment created a new concession, the **Exploration Licence**. It is granted through auction. It lets the holder carry out **reconnaissance and prospecting** for critical and deep-seated minerals listed in a new **Seventh Schedule**.

Deep-seated minerals lie far below the surface. Examples include gold, silver, copper, zinc, nickel and diamonds.

The explored blocks are later auctioned for a mining lease. The explorer gets a share of the auction premium that the lease holder pays. That share rewards the risky early work.

As of the Ministry release of **23 June 2026**, **11 Exploration Licence blocks** had been auctioned.

Sources: pib.gov.in

Royalty rates were rationalised

Royalty is the payment a miner makes to the State for each tonne mined. High rates can discourage bidders. The Government therefore **rationalised** royalty on critical minerals.

On **12 October 2023** it set royalty at **3%** for lithium and niobium. It set **1%** for rare earth elements. Earlier, in March 2022, it had set platinum group metals at 4% and molybdenum at 7.5%.

Sources: pib.gov.in

> **Quick check 2.** The 2023 amendment let the Centre auction Part D blocks, and the auction revenue accrues to the States. *(True or False?)* See answer ↓

Quick check 3. Copper was one of the six minerals removed from the atomic minerals list. *(True or False?)* See answer ↓

How is India building critical mineral supply chains?

The National Critical Mineral Mission

The Union Cabinet approved the **National Critical Mineral Mission (NCMM)** on **29 January 2025**. It runs for seven years, from 2024-25 to 2030-31.

Read the money carefully. The Government spends **₹16,300 crore**. Public sector firms are expected to invest **₹18,000 crore**. Together they make the **₹34,300 crore** outlay.

The mission aims to help Indian companies acquire mineral assets abroad. It also plans a domestic **stockpile** of critical minerals. It targets **1,000 patents** by 2030-31. It plans **seven Centres of Excellence**.

The Geological Survey of India and the National Mineral Exploration and Development Trust are working towards **1,200 critical mineral projects**.

A later Ministry FAQ adds one detail. The ₹16,300 crore includes **₹2,600 crore** of budgetary support.

Sources: pib.gov.in

Securing minerals abroad

Khanij Bidesh India Limited (KABIL) is a joint venture of three public sector companies. They are NALCO, Hindustan Copper and the Mineral Exploration and Consultancy Limited (MECL). KABIL works to identify, acquire and develop strategic mineral assets **abroad**.

It looks at Argentina, Australia and Chile. In Argentina, KABIL holds **15,700 hectares** in Catamarca province for lithium exploration and mining.

KABIL does not auction blocks inside India. The Centre does that under Section 11(D). Keep the two jobs apart.

India also joined the **Minerals Security Partnership** in **June 2023**. It became the **14th member**. The partnership aims to strengthen critical mineral supply chains.

Sources: pib.gov.in

Recycling as a second source

Not all supply must come from mines. A **₹1,500 crore** incentive scheme supports recycling of critical minerals. It covers six years, from 2025-26 to 2030-31.

The scheme accepts e-waste, lithium-ion battery scrap and other scrap such as catalytic converters. It gives a **20% capital subsidy** on plant and machinery. **One-third** of the outlay is set aside for small recyclers, including start-ups.

The Ministry expects about **270 kilotonnes** of recycling capacity. It also expects about ₹8,000 crore of investment and close to 70,000 jobs.

A 2026 Ministry FAQ says the scheme was launched on **2 October 2025**.

Sources: pib.gov.in

Making rare earth magnets at home

Rare earth elements go into strong permanent magnets. These are used in electric vehicles, wind turbines and electronics. Read more on rare earth elements.

The Union Cabinet approved a scheme for sintered rare earth permanent magnets (REPM) on **26 November 2025**. Its outlay is **₹7,280 crore**. It aims to build **6,000 tonnes per year** of capacity.

The money splits into two parts. A sales-linked incentive of ₹6,450 crore and a capital subsidy of ₹750 crore. Five beneficiaries are planned, chosen through global competitive bidding.

Do not mix the two numbers. **₹7,280 crore** is money. **6,000 tonnes** is capacity.

A Heavy Industries release of **29 July 2026** extended the global tender bid date to **12 August 2026**.

Sources: pib.gov.in

> **Quick check 4.** KABIL auctions critical mineral blocks inside India. *(True or False?)* See answer ↓

What changed in 2025 and 2026?

Auction tranches keep coming

The Ministry launched its **seventh tranche** of critical mineral auctions on **23 March 2026**. By its release of **23 June 2026**, **56 blocks** had been successfully auctioned out of **88** taken up. That is over 63%.

The **eighth tranche** followed. It was launched on **15 July 2026** with **20 blocks** across **nine States**. Of these, **13** were newly identified and **7** were offered a second time.

FY 2025-26 was a record year for mining auctions overall, with **212 blocks** auctioned.

These are counts as of the cited releases. Later tranches will change them.

Sources: pib.gov.in

Mining under the sea

Critical minerals also lie offshore. The opening offshore auction tranche was launched on **28 November 2024**. It had **13 blocks** in the Arabian Sea and Andaman Sea. The minerals included construction sand, lime-mud, polymetallic nodules and crusts.

A Ministry release of **1 October 2026** covers two Andaman Sea blocks. They are **Sewell Rise-01** and **West Sewell Ridge-01**. Together they cover over **1,632 square kilometres**. The auction runs under the **Offshore Areas Mineral (Development and Regulation) Act, 2002**.

The blocks hold polymetallic nodules and crusts. These host cobalt, nickel, manganese, copper and rare earth elements. See also the Deep Ocean Mission.

Sources: pib.gov.in

Coking coal joins Part D

The Government notified **coking coal** as a critical and strategic mineral in **January 2026**. The gazette notification is dated **27 January 2026**.

In Part A, the entry now reads **"Coal, including Coking Coal"**. Coking coal was also added to Part D.

Why? Steelmaking needs coking coal. India has an estimated **37.37 billion tonnes** of resources. Yet around **95%** of the steel sector's need is met through imports. Imports rose from 51.20 million tonnes in 2020-21 to 57.58 million tonnes in 2024-25. Read more on steel and coking coal.

Sources: pib.gov.in; coal.nic.in

Critical does not mean plentiful

Being on the critical list does not make a mineral abundant in India.

The word **critical** means important and risky to secure. It says nothing about how much India can mine at home.

That is why the policy mixes three tools. They are domestic exploration, assets abroad and recycling.

Sources: pib.gov.in

The 2026 amendment and State revenue

The **MMDR Amendment Bill, 2026** passed both Houses of Parliament on **13 August 2026**. The Government says it will not take away the States' rights on land, minerals or any tax on minerals collected by them.

At present, around **90%** of total taxes and statutory payments in mining accrue to the States. The Government says this arrangement continues after the amendment. The States' power over minor minerals is also

unchanged.

From FY 2015-16 to FY 2025-26, over **₹5 lakh crore** accrued to major mining States. The Centre received only **₹82,000 crore** in the same period.

A Ministry FAQ adds that **723 major mineral blocks** have been auctioned since the 2015 amendment. Read more on who regulates mining auctions.

Sources: pib.gov.in

> **Quick check 5.** Under the 2026 MMDR Amendment, the Government says around 90% of mining taxes and payments continues to go to the States. *(True or False?)* See answer ↓

Questions that connect the ideas

Why are there two numbers, 30 and 24?

The Ministry list names 30 critical minerals. Part D of Schedule I held 24 as notified in 2023. One number describes policy. The other describes the law.

Who auctions, and who gets the money?

The Centre auctions Part D blocks under Section 11(D). The auction revenue goes to the State Governments. KABIL is different. It looks for mineral assets abroad.

Practice MCQ

Practice MCQs

1. The Mines and Minerals (Development and Regulation) Amendment Act, 2023 removed six minerals from India's atomic minerals list, opening them to private mining.

Which of these was NOT one of the six?

A. Titanium

B. Copper

C. Zirconium

D. Lithium

See answer ↓

2. The Union Cabinet approved the National Critical Mineral Mission (NCMM) on 29 January 2025, with what total outlay over seven years?

A. ₹34,300 crore

B. ₹16,300 crore

C. ₹1,200 crore

D. ₹18,000 crore

See answer ↓

3. What is Khanij Bidesh India Limited (KABIL) — a joint venture of NALCO, Hindustan Copper, and MECL — mandated to do?

A. Recycle minerals from industrial waste

B. Regulate mineral export pricing

C. Auction domestic mineral blocks

D. Source critical minerals from overseas for India

See answer ↓

4. The Union Cabinet approved the Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnets (REPM) on 26 November 2025, with what financial outlay?

A. ₹7,280 crore

B. ₹10,000 crore

C. ₹5,000 crore

D. ₹6,000 crore

See answer ↓

5. Under the 2026 MMDR Amendment, roughly what share of total mining taxes and statutory payments continues to accrue to the States?

A. 90%

B. 50%

C. 70%

D. 100%

See answer ↓

Answer Key

1. **B.**
   Copper is the answer. It was not one of the six minerals removed from the atomic minerals list. The six were beryllium-bearing minerals, lithium, niobium, titanium, tantalum and zirconium. So lithium, titanium and zirconium were all on the list. Copper is a deep-seated mineral and belongs to a different group. Memory hook: Be, Li, Nb, Ti, Ta, Zr, and no Cu.
   ↑ Q1

2. **A.**
   The total outlay is ₹34,300 crore over seven years. It adds the Government expenditure of ₹16,300 crore and the expected PSU investment of ₹18,000 crore. So ₹16,300 crore alone is only the Government part. ₹18,000 crore alone is only the expected investment. ₹1,200 crore matches no figure in the mission. Memory hook: 16,300 plus 18,000 gives 34,300.
   ↑ Q2

3. **D.**
   KABIL sources critical minerals from overseas for India. It is a joint venture of NALCO, Hindustan Copper and MECL. Auctioning domestic blocks is the Centre's job under Section 11(D). KABIL does not regulate export pricing. Recycling minerals from waste falls under the separate ₹1,500 crore recycling scheme. Memory hook: Khanij Bidesh means minerals abroad.
   ↑ Q3

4. **A.**
   The outlay is ₹7,280 crore. The scheme aims to build 6,000 tonnes per year of magnet capacity. So 6,000 is a capacity figure, not a rupee outlay. ₹5,000 crore and ₹10,000 crore match no figure in the scheme. Memory hook: ₹7,280 crore for 6,000 tonnes a year.
   ↑ Q4

5. **A.**
   Around 90% is the answer. The Government says about 90% of total taxes and statutory payments in mining accrue to the States. It also says this continues after the 2026 amendment. 50% and 70% understate the State share. 100% overstates it, because the Centre also collects some payments. Memory hook: nine-tenths to the States.
   ↑ Q5

Quick-check answers

1. **False.** Part D held 24 minerals as notified in 2023. The Ministry list names 30. ↑ 1
2. **True.** Section 11(D) gives the Centre the auction power. The revenue goes to the State Governments. ↑ 2
3. **False.** The six were beryllium-bearing minerals, lithium, niobium, titanium, tantalum and zirconium. Copper was not among them. ↑ 3
4. **False.** KABIL works on mineral assets abroad. The Centre auctions Part D blocks inside India. ↑ 4
5. **True.** The Ministry states that around 90% accrues to the States and continues after the amendment. ↑ 5

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