

Cabinet nod to lithium mining by private firms

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New Delhi, July 12

THE UNION CABINET on Wednesday approved amendment to mining laws to clear the way for private sector participation in commercial mining of lithium and five other minerals, according to sources in the government. The idea is to reduce the country's import dependence for lithium, the key element for the manufacturing of EV batteries, to the extent possible.

India meets about 70% of its lithium requirement via imports, even as it seeks to increase the EV penetration from 1% currently to 30% by 2030.

The other minerals that would be opened up for commercial mining with the amendment in the Mines and Minerals (Development and Regulation) Act are titanium, niobium, tantalum, beryllium and zirconium.

The amendment removes these minerals from the atomic minerals list and allows the central government to auction mineral concessions for undertaking exploration starting from reconnaissance to prospecting operations.

India depends on China and Hong Kong for about 70% of its lithium imports and more than 90% for lithium-ion. Australia is the world's top lithium producer followed by the 'Lithium Triangle' of Argentina, Chile and Bolivia.

In 2019, the mines ministry created a joint venture company among National Aluminium Company Ltd (NALCO), Hindustan Copper Ltd (HCL) and Mineral Exploration and Consultancy Ltd (MECL) named Khanij Bidesh India Ltd (KABIL) to acquire mineral assets overseas such as lithium and cobalt. Some engagements with companies are underway in Australia and Argentina.

India and Australia recently identified five target projects (two lithium and three cobalt) under the India-Australia Critical Minerals Investment Partnership to build new supply chains.

Earlier this year, the Geological Survey of India (GSI) found 5.9 million tonne lithium reserves in Reasi district of Jammu and Kashmir. Based on the mapping outcome, GSI and MECL plan to carry out more exploration activities for



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identifying lithium resources in different parts of the country.

India's first lithium cell manufacturing facility with an installed capacity of 270 MWh and a daily production capacity of 20,000 cells of 10Ah came up last year at Tirupati in Andhra Pradesh. In 2021, the government brought a production linked incentive (PLI) scheme for manufacture of advance chemistry cell (ACC) with an outlay of ₹18,100 crore for a period of five years.

As per the Council on Energy, Environment and Water (CEEW), the country needs ₹33,750 crore investment to achieve the government PLI target of setting up 50 GWh of lithium-ion cell and battery manufacturing plants.