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# Critical Minerals: India's 7th Tranche Auction and the Atma Nirbharta Push

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# Critical Minerals: India's 7th Tranche Auction and the Atma Nirbharta Push

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## WHY IN NEWS

Union Coal & Mines Minister **G. Kishan Reddy** announced on **April 13, 2026** at a Hyderabad roadshow that India has now **auctioned 46 critical mineral blocks across six rounds** and is launching the **7th tranche with 19 additional blocks** — including Telangana's first vanadium and titanium blocks. Tender sale ends **May 18, 2026**; bids close **May 25, 2026**. The push is anchored to the **Viksit Bharat 2047** vision of mineral self-reliance.

## WHAT ARE CRITICAL MINERALS?

**Critical minerals** are raw materials essential for modern economic and strategic sectors whose supply is concentrated in a few countries and is therefore vulnerable to geopolitical disruption.

### India's List of 30 Critical Minerals (2023)

Released by the **Ministry of Mines** on July 28, 2023, following recommendations of an expert committee chaired by Dr Veena Kumari Dermal:

CATEGORY	EXAMPLES
Energy transition	Lithium, Cobalt, Nickel, Graphite, Silicon (for batteries); Rare Earths (for wind turbines, EV motors)
Strategic / defence	Titanium, Tungsten, Vanadium, Beryllium, Tantalum, Zirconium
Electronics	Gallium, Germanium, Indium (semiconductors, displays)
High-tech manufacturing	Rare Earth Elements (REE — 17 in total), Platinum Group Metals

The list broadly aligns with those identified by the USA (50 minerals), EU (34), Australia (30), and Japan (31), though specifics differ.

## THE 7TH TRANCHE — BLOCK DETAILS

### Blocks on Offer (2026 Round 7)

CATEGORY	BLOCKS	KEY MINERALS
Strategic metals	5	Vanadium, Titanium (Telangana first-ever)
Battery minerals	6	Graphite, Lithium (J&K, Chhattisgarh)
Rare earths	3	REE blocks (Andhra Pradesh, Odisha)
Industrial metals	5	Tungsten, Molybdenum, Antimony
<b>Total</b>	<b>19</b>	—

### Cumulative Auction Track Record (Rounds 1-6, 2023-2025)

- **Total blocks offered:** ~70
- **Successfully auctioned:** 46 (~65% success rate)
- **Key wins:** Reasi (J&K) lithium block — Tier-2 rich (~5.9 million tonnes inferred resource); Salem (Tamil Nadu) tungsten block; Barmer (Rajasthan) REE reserves
- **Failures:** 24 blocks unsold — primarily because of inadequate geological data, remote access, or concerns over land acquisition

## THE LEGAL FRAMEWORK — MMDR AMENDMENT 2023

The **Mines and Minerals (Development and Regulation) Amendment Act, 2023** (effective August 17, 2023) is the legal backbone of India's critical minerals push.

### Key Amendments

CHANGE	PRE-2023	POST-2023
<b>Critical minerals auction authority</b>	States (for all minerals)	<b>Central Government</b> for 24 critical/strategic minerals (new Schedule 2)
<b>Exploration licences (EL)</b>	Not available to private sector	<b>New EL regime</b> — private firms can explore and charge state governments a discovery fee
<b>Atomic minerals</b>	Reserved for central government only	6 atomic minerals (lithium, beryllium, titanium, niobium, tantalum, zirconium) <b>removed from atomic list</b> — now open to private exploration

### Why Central Auction for Critical Minerals?

- Ensures uniform standards and timelines
- Coordinates strategic stockpiling — e.g., the **KABIL (Khanij Bidesh India Limited)** JV's overseas acquisitions
- States retain royalty revenue (~30% of the auction premium goes to state governments)

## WHY SELF-RELIANCE MATTERS — THE GEOPOLITICS

### China's Dominance

MINERAL	CHINA'S SHARE OF GLOBAL SUPPLY / PROCESSING
Rare Earths (mining)	~ <b>60%</b>
Rare Earths (processing)	~ <b>85%</b>
Lithium processing	~60%
Graphite processing	~70%
Cobalt refining	~65%
Neodymium magnets	~85%

### Recent Geopolitical Shocks

- **July 2023:** China imposed export controls on Gallium and Germanium
- **December 2023:** China restricted exports of Graphite
- **2024:** China required export licences for Tungsten and Molybdenum
- **October 2024:** China added Antimony to export-control list

Every one of these minerals is essential to EV batteries, solar panels, semiconductors, or defence systems. For India — which imports ~100% of many of these minerals — the risk of supply interruption is acute.

## INDIA'S RESOURCE POSITION — WHAT'S ACTUALLY HERE

### Reasi Lithium Find (2023)

The **Geological Survey of India (GSI)** announced in February 2023 that it had identified **5.9 million tonnes of inferred lithium resources** in the Salal-Haimana area of **Reasi district, Jammu & Kashmir** — the first significant lithium discovery in India.

**Context:** Even 5.9 million tonnes would be globally significant — it would put India in the top-5 lithium resource holders (after Chile, Australia, Argentina, China). However, “inferred resources” is the lowest geological confidence tier — actual extractable reserves will be 20-50% of the inferred figure.

### Other Significant Reserves

MINERAL	KEY INDIAN RESERVES
<b>Graphite</b>	Andhra Pradesh, Jharkhand, Tamil Nadu, Odisha
<b>Titanium</b>	Kerala (Chavara, Manavalakurichi), Odisha, Andhra Pradesh
<b>Vanadium</b>	Odisha (Singhbhum), Telangana (Mahabubnagar)
<b>Tungsten</b>	Rajasthan (Degana), Karnataka (Kolar)
<b>Rare Earths (monazite)</b>	Kerala coastal beach sands; Tamil Nadu, Odisha, Andhra Pradesh
<b>Cobalt</b>	Odisha (Sukinda valley) — by-product of chromite mining

**Problem:** Many of these reserves are known but **under-explored** — i.e., geological surveys are outdated (some from the 1970s). The 2023 EL regime is designed precisely to attract private exploration to modernise this data.

## KABIL — INDIA'S RESOURCE DIPLOMACY ARM

**Khanij Bidesh India Limited (KABIL)** is a joint venture set up on August 1, 2019 to acquire strategic mineral assets abroad.

### KABIL's Composition

- **National Aluminium Company (NALCO):** 40%
- **Mineral Exploration Corporation Limited (MECL):** 30%
- **Hindustan Copper Limited (HCL):** 30%

(Note: HCL here is Hindustan Copper — not Hindustan Computers Limited, the IT company)

### KABIL's Key Deals

COUNTRY	MINERAL	STATUS (2026)
Argentina	Lithium (5 blocks in Catamarca, covering ~15,700 hectares)	Agreement signed Jan 2024; exploration underway
Australia	Lithium, Cobalt	Preliminary MoU (2022); pending acquisition
Africa (various)	Various	Exploratory discussions

## IMPORT DUTY REFORMS — THE 2025 BUDGET

The Union Budget 2025-26 announced **complete removal of import duties on 24 critical minerals** (previously ranged from 2.5% to 10%). Rationale:

- Downstream manufacturing boost** — EV makers, solar cell makers, battery manufacturers need cheap input materials
- Reduce hoarding** — with duties gone, stockpilers have less reason to hold **strategic reserves** speculatively
- Investment signal** — tells both domestic and foreign investors that India is serious about downstream value addition

**Trade-off:** Zero duties eliminate the domestic price cushion that incentivises local mining. Policy must walk a tightrope between encouraging domestic production (via PLI for battery cells, e-vehicles) and keeping input costs low (via zero import duty).

## THE FULL VALUE CHAIN — WHERE INDIA IS STILL MISSING

Critical minerals alone don't deliver **strategic autonomy** — **processing, manufacturing, and recycling** matter equally.

Mining → Concentration → Refining/Processing → Cell/Component Manufacturing → Final Product → Recycling

✔     
 ✔ (partial)     
 ✘ (major gap)     
 ✘ (starting)     
 ✘     
 ✘ (nascent)

### India's Gap

STAGE	STATUS
Mining	Auction regime active; 46 blocks sold
Concentration	Domestic capacity growing
<b>Refining</b>	<b>~2-3% of global capacity</b> for lithium refining — major bottleneck
Battery cell manufacturing	PLI for ACC (Advanced Chemistry Cell) — ₹18,100 crore (2021); target 50 GWh by 2028; current operational capacity ~5-10 GWh
EV/Solar assembly	Significant growth under PLI (Auto, Solar PV)
<b>Recycling</b>	<10% lithium recovery rate; China achieves ~95%. Draft Battery Waste Management Rules 2022 require EPR

The critical minerals auction addresses only the **first** stage. Without parallel investment in refining and recycling, India could end up exporting concentrates to China (for processing) and reimporting finished cells — defeating the self-reliance purpose.

## STRATEGIC STOCKPILING

Several countries maintain strategic mineral reserves analogous to petroleum reserves:

COUNTRY	MINERAL STOCKPILING
<b>USA</b>	Defense Stockpile (established 1939) — covers ~\$1 billion worth of strategic materials
<b>Japan</b>	JOGMEC maintains 60-day supply reserves of rare earths + base metals
<b>South Korea</b>	KORES stockpiles 7 rare metals
<b>China</b>	State Reserve Bureau — massive, opaque; reportedly multi-year supply buffers
<b>EU</b>	Critical Raw Materials Act (2024) mandates 10% of annual consumption to be domestic-stockpiled
<b>India</b>	<b>No organised stockpile</b> — MMDR 2023 authorises one but implementation is nascent

India's absence of a formal stockpile is a critical gap — especially given China's supply concentration and recent export restrictions.

## UPSC RELEVANCE

PAPER	ANGLE
GS2 — IR	India-China mineral geopolitics; KABIL in Argentina/Australia; resource diplomacy; EU CRMA 2024
GS3 — Economy	MMDR Amendment 2023; auction design; royalty structure; import duty reforms; PLI for ACC batteries
GS3 — Environment	Mining vs forest rights; Schedule V areas; MMDR 2023 vs FRA 2006 tensions
GS3 — Security	Strategic minerals; stockpiling gap; defence supply chain autonomy
Prelims	List: <b>30 critical minerals (2023)</b> · MMDR Amendment: <b>2023</b> · KABIL: NALCO (40) + MECL (30) + HCL (30) · Reasi lithium find: <b>5.9 MT inferred (2023, J&amp;K)</b> · Import duty on 24 critical minerals: <b>removed in Budget 2025-26</b>
Interview	“Has India's critical minerals strategy correctly prioritised mining over refining, or should the policy sequence be reversed?”

Total blocks auctioned: **46** (Rounds 1-6) · Round 7 launching **19 blocks** · Telangana: first vanadium + titanium blocks · Tender sale close: **May 18, 2026** · Bid deadline: **May 25, 2026** · Minister: **G. Kishan Reddy** (Coal & Mines).

Released by Ministry of Mines **July 28, 2023** · Includes **Lithium, Cobalt, Nickel, Graphite, REE, Titanium, Vanadium, Tungsten, Gallium, Germanium, Indium**.

Effective **Aug 17, 2023** · Centre auctions 24 critical/strategic minerals (Schedule 2) · New Exploration Licence (EL) regime · 6 atomic minerals opened to private sector.

Established **Aug 1, 2019** · JV of **NALCO (40%) + MECL (30%) + Hindustan Copper (30%)** · Argentina lithium deal: 5 blocks, Catamarca, Jan 2024.

Announced **Feb 2023** by **GSI** · Location: **Salal-Haimana, Reasi district, J&K** · **5.9 MT** inferred resource.

Removed on **24 critical minerals** in Budget **2025-26** · GS3: Economy; GS2: IR.

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