

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 4001
ANSWERED ON 17.03.2026

IMPACT ON EV DUE TO POLICY CHANGES IN CHINA PERTAINING TO LITHIUM

**4001. SHRI SUDHEER GUPTA:
SHRI CHAVAN RAVINDRA VASANTRAO:
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:**

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) whether change in recent policy or market developments in China pertaining to lithium supply, pricing or export controls could adversely impact Indian Electric Vehicle (EV) manufacturers;
- (b) if so, the details thereof;
- (c) the likely impact on the cost of lithium and related raw materials for Indian EV companies;
- (d) the steps/measures taken/being taken by the Government to secure alternative sources of lithium and other critical minerals to protect EV industry in the country;
- (e) whether the Government is also considering/planning to introduce any policy support, incentives or safeguards to protect the domestic EV industry from global supply chain disruptions;
- (f) if so, the details thereof; and
- (g) the details regarding other measures taken/being taken by the Government to reduce dependency on imported lithium to support Indian EV industry?

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

(a) & (b): As per information received from Society of Indian Automobile Manufacturers(SIAM), India currently has a high import dependence on critical minerals such as lithium, which are essential for lithium-ion batteries used in electric vehicles (EVs). The entire current demand is met through imports, making the sector sensitive to external shocks. Recent policy developments in China, specifically the decision to impose export controls and licensing requirements on high-performance Lithium-ion batteries (≥ 300 Wh/kg), cathode materials, artificial-graphite anodes, and associated manufacturing technology, could tighten near-term global supply conditions. This creates potential supply-chain vulnerability for Indian EV manufacturers who rely on Chinese midstream processing

(c): Lithium and other battery raw materials are globally traded commodities, and their prices are influenced by international demand-supply conditions. Any global policy changes or supply disruptions may lead to price fluctuations in lithium, cobalt, and nickel. The export controls announced by China have the potential to elevate global component prices in the near term, directly influencing the cost structure for Indian EV companies. However, the overall impact on battery prices is also influenced by technology improvements, economies of scale, and the localization of manufacturing.

(d) & (g): The Government has taken various steps to reduce import dependence for critical minerals. The Union Cabinet has approved the National Critical Mineral Mission (NCMM) on 29th January, 2025 to secure a long-term sustainable supply of critical minerals (including lithium) and strengthen India's critical mineral value chain encompassing all stages from mineral exploration and mining to beneficiation, processing, and recovery from end-of life products. Additionally, the following initiatives have, inter-alia, been taken to strengthen the critical mineral sector in the country:-

- i. The Union Cabinet approved the National Critical Mineral Mission (NCMM) on 29.01.2025 with the objectives of securing India's critical mineral supply chain and strengthening the critical mineral value chains.
- ii. Since the amendment to the MMDR Act in 2023, Central Government has successfully auctioned 46 blocks of Critical and Strategic Minerals. In addition, 7 blocks have been auctioned under the Exploration Licence regime, out of which 3 are critical mineral blocks.
- iii. The Union Cabinet has approved a Rs.1,500 crore Incentive Scheme to promote critical mineral recycling. The Scheme Guidelines were issued, and the Scheme was launched on 02.10.2025.
- iv. Guidelines for funding pilot projects for the recovery of critical minerals from overburden/ tailings/ fly ash/ red mud, etc. were issued on 14.11.2025.
- v. The Government has recognized nine premier institutes as Centres of Excellence (CoEs) under the NCMM to carry out Research & Development (R&D) for strengthening domestic capabilities in the critical mineral value chain.
- vi. Khanij Bidesh India Limited (KABIL), under Ministry of Mines, 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 Blocks in Argentina covering an area of 15703 Ha.

(e) & (f): No such policy is under consideration in the Ministry of Heavy Industries(MHI).
