

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
LOK SABHA  
UNSTARRED QUESTION NO. 1474  
ANSWERED ON 29.07.2025

**PROMOTING DOMESTIC PRODUCTION OF RARE EARTH MAGNETS**

**1474. SMT. SMITA UDAY WAGH:**

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) the key incentives, policy measures, and partnership models introduced by the Government to promote domestic production of rare earth magnets crucial for EVs, electronics and defence manufacturing;
- (b) whether any industrial zones or clusters have been identified in Maharashtra for this sector, and if not, the reasons for excluding potential-ready regions like Jalgaon, which has robust connectivity through national highways, railway junctions and proximity to airports;
- (c) the details of Government's engagement with stakeholders to secure alternate supply chains and reduce dependence on rare earth imports from traditional countries;
- (d) the details of response and feedback received from the electric vehicle and auto component industry regarding India's rare earth magnet initiative; and
- (e) the details of early progress made under this initiative, including any investments, production capacities or R&D break throughs that indicate reduced import reliance?

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

**(a) & (b):** NITI Aayog & Indian Rare Earth Limited (IREL) under Department of Atomic Energy (DAE) has prepared a document on "Incentivisation framework for establishment of downstream industry using Rare Earth Elements".

**(c) & (d):** Ministry of Heavy Industries held two consultation meetings on 26.09.2024 and 17.06.2025 with stake holders including representatives from Research Organisation and manufacturers of Electric Vehicles & Auto Components to assess the status of indigenous production of Rare Earth Permanent Magnets in India.

Further, Department of Commerce has recently established a dedicated International Supply Chain Resilience Study Group comprising representatives from various Ministries/Departments and industry associations. Further, Supply Chain Resilience Cell has been established in Centre for WTO Studies (CWTOS), which will work under the guidance of International Supply Chain Resilience Study Group.

India has signed the Supply Chain Resilience Agreement in November 2023 under the Indo-Pacific Economic Framework for Prosperity (IPEF), a 14 member plurilateral grouping in the region. The Agreement aims to strengthen supply chain crucial for national security and economic stability. The Agreement came into force on February 24, 2024. Under the Agreement, a Supply Chain Council (SCC) has been set up with the US as Chair and India as Vice Chair.

**(e):** IREL under DAE has set-up a Rare Earth Permanent Magnet (REPM) plant in the country for indigenous production of Samarian-Cobalt magnets exclusively for use in defence and atomic energy sector.

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