DEPARTMENT FUNCTIONS AND ACTIVITIES

- Minerals & Agriculture has been the mainstay of A.P. and Mineral Resources form a major contributor to the State's economic growth.

- Andhra Pradesh is well known globally for variety of rocks & minerals and called as Ratna Garbha, the storehouse of minerals in the South and established as a prime mineral producer in the country.

- Andhra Pradesh State comprising of (13) Districts with its varied geology having rich & wide variety of minerals suitable for specific mineral industries. The State is a storehouse for various minerals specifically Crude Oil & Natural Gas, Barytes, Bauxite, Heavy Mineral Beach Sand, Manganese, Limestone, Dolomite, Quartz, Feldspar, Silica Sand, Semi-precious Stones, Ball Clay, Laterite, Iron Ore, Gold & Diamonds, Mica, Asbestos, Calcite, Uranium, Lead, Zinc, Shale, Pyrophyllite, Steatite, Serpentine, Graphite, Kyanite, Vermiculite, Clays, Ochre, Black & Colour Granites, Limestone Slabs, Fullers Earth, Marble, Road Metal/Building Stone/Ballast, Gravel/Earth, Mosaic Chips and Ordinary Sand.

- The aim is to serve as a guiding force to translate the State’s mineral potential into reality with the objectives of eco-friendly and sustainable mining.

- The State focuses on augmenting the inventory of mineral resources, key issues of legislation, objective & strategies in tune with the National Mineral Policy, 2008 in accelerating the growth in the liberal regime and thereby leading to overall development of the Mining Sector.

MINERAL RESOURCES AND STATUS

- The State is ‘Number One’ in Barytes & Beach Sand Heavy Mineral deposits in the country having the large coastal line of 972 KM.

- The State is well known for occurrence of Gold, Diamond, Precious & Semi Precious stone over vast areas.

- The Narsipatnam, Visakhapatnam Apatite is single largest deposit for extraction of Rock Phosphate by M/s APMDC Ltd. under Joint Venture with M/s Andhra Phosphates Pvt. Ltd.

- There are huge Bauxite deposits occurring as thick capping over khondalites and related rock formations of Eastern Ghat Mobile Belt in East Godavari & Visakhapatnam Districts.
The Krishna-Godavari basin contains huge reserves of Crude Oil and Natural Gas being exploited on shore by M/s Oil & Natural Gas Commission Ltd. (M/s ONGC) and off shore by M/s Reliance Petroleum Ltd. and multi-nationals like M/s Cairn Energy Pvt. Ltd.

The Agnigundala, Bondalamottu areas in Guntur District is famous for mining of Copper, Zinc, Silver and other base metals.

The Alkaline and ultra-basic rock formations in Guntur and Prakasam Districts are enriched in Nepheline Syenite.

The State contains huge Uranium deposits in Thummalapalli, Kadapa District. The Department of Atomic Energy, GoI already started exploitation of the resources through M/s. Uranium Corporation India Ltd, a Public Sector Undertaking.

The Dharwar Super Group Meta sediments contain rich deposits of Iron Ore confining to Bellary Reserve Forest and surrounding areas in Anantapur District.

The State is endowed with a number of scattered low grade iron ore deposits in Prakasam, Krishna, Kurnool and Kadapa districts.


FUNCTIONS/ACTIVITIES

The Department of Mines and Geology is entrusted with both promotional and regulatory functions for overall development of Mineral Sector and collection of mineral revenue to the State Exchequer.

In Andhra Pradesh State under the control of Director of Mines & Geology oversee the functions of receipt & processing of Mineral Concession applications, grant of leases for Minor Minerals, approval of Mine Plans, Inspection of Mines, curbing of illicit Mining and Transportation, Vigilance,

In Andhra Pradesh State, there are:

- (22) Assistant Directors of Mines & Geology offices at Srikakulam, Tekkali, Vizianagaram, Visakhapatnam, Anakapalli, Rajahmundry, Eluru, Vijayawada, Nandigama, Guntur, Dachepalli, Ongole, Markapur, Nellore, Chittoor, Palamaneru, Kadapa, Yerraguntla, Tadipatri, Anantapur, Kurnool and Banaganapalli.

- (9) Assistant Directors of Mines & Geology (Vigilance) at Visakhapatnam, Rajahmundry, Eluru, Vijayawada, Guntur, Ongole, Nellore, Tirupati and Gooty.

- (5) Regional Deputy Directors of Mines & Geology offices at Visakhapatnam, Kakinada, Guntur, Kadapa and Kurnool.

- (3) Zonal Joint Directors of Mines & Geology at Visakhapatnam, Ongole and Kadapa.

**LEASES & MINING**

There are (47) Prospecting License and (1571) Mining leases for Major Minerals (Industrial Minerals), (1642) Quarry Leases for cut and dressed blocks of Granites and (4797) Quarry Leases for other Minor Minerals (Construction Minerals) totaling to (8057) as on 31.03.2014 with an extent of 16371 Ha, 39945 Ha, 13193 Ha and 9574 Ha respectively.

Mining for Limestone, Barytes and Natural Gas falls under large scale mechanized sector, while Granite, Dolomite, quartz, feldspar, Clays etc under semi mechanized medium sector and the other minerals fall under semi mechanized small sector. Nearly 90% of the Mines fall under small sector and remaining 10% under medium and large sectors.

**FOCUS MINERALS & INDUSTRIES**

Both Public & Private Sectors established large and medium scale mineral based industries for manufacture of Cement, Steel, Sponge Iron, Ferro-alloys, Glass, Ceramics, Refractories, Chemicals, Granite, Marble & Limestone cutting & polishing units, Slate cutting units, Gem Cutting & faceting units, Granite monuments manufacturing units, Pulverizing units, stone crushers, Mosaic & Ceramic tile units, Lime Kilns, and Manufactured Rocksand units in Andhra Pradesh State.

The Mining Sector is identified as one of the growth engines and certain minerals have been identified as focus minerals viz Bauxite, Heavy minerals, Beach
Sand, Limestone, Gold, Diamond, Dolomite, Oil & Natural gas, Uranium, Garnet, Granite, Titanium, etc. for establishment of Cement, Gas based Thermal Plants, Oil Refinery, Cutting & Faceting, Mining & Refinery, Steel & Sponge, Alumina Smelter and Aluminium Refinery etc., as focus industry for over all growth and development of the Mining Sector in the State.

**PHYSICAL AND FINANCIAL TARGETS & ACHIEVEMENTS**

**MINERAL PRODUCTION & VALUE**

The Mineral consumption is increasing due to promotion of various industries and manufacture of Mineral based products. State produces about 46 million tons of industrial minerals and 95 million cubic meters of dimensional stones.

**REVENUE**

The Mineral & Mining Sector in the State contributed Rs.884.64 crores of Mineral Revenue to the State exchequer during 2013-14 and targeted to achieve Rs.1068.70 Crores of Mineral Revenue during 2014-15 (June’14 to March’15).

**MINERAL REVENUE ACHIEVEMENTS**

(Rs. in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Achievement</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>962.83</td>
<td>--</td>
</tr>
<tr>
<td>2011-12</td>
<td>1040.90</td>
<td>8.11%</td>
</tr>
<tr>
<td>2012-13</td>
<td>1068.68</td>
<td>2.67%</td>
</tr>
<tr>
<td>2013-14</td>
<td>884.64</td>
<td>-17.22%*</td>
</tr>
<tr>
<td>2014-15 (Apr &amp; May’14)</td>
<td>135.65</td>
<td>--</td>
</tr>
</tbody>
</table>

*Due to Samaikhyaa andhra agitations.

**VIGILANCE**

There are (9) Vigilance Offices in the Districts and (5) Regional Mobile Squads stationed at (5) Regional Dy. Directors of Mines & Geology and operating at Srikakulam, Vizianagaram, Guntur, Kurnool and Kadapa and there are (2) Central Vigilance Units at Directorate of Mines & Geology. There are two integrated check posts at Tada and Naraharipet and observation check posts at Ibrahimpatnam, Krishna Dist.; Piduguralla, Guntur Dist.; Bugga, Bethamcherla, & Dhone, Kurnool Dist. for effective vigilance to curb illegal mining & transportation of minerals. During 2013-14, the Department booked (5546) cases and collected penalty of Rs.779.37 lakhs in the Andhra Pradesh State.
TASK FORCE

Based on the instructions from Ministry of Mines, Government of India, the State Government constituted a State Level Task Force under the Chairmanship of the Secretary, Industries & Commerce Department, similarly District Level Task Forces were constituted under the Chairmanship of District Collector concerned.

The State Level Task Force conducts meetings and discuss issues of Forest and Revenue clearances for quick disposal of Mineral Concession Applications as a measure to minimize illicit mining and transportation, more powers for seizure of vehicles under M.V. Act, blanket clearances in respect of mineral bearing areas falling in Revenue lands, identification of compensatory land adjacent of Forest areas, by Forest Department, recovery of Seigniorage fee from the bills of contractors with one time penalty, inclusion of Commercial Tax Department, Seizure and safe custody of vehicles in the respective Police stations etc. There is a need to reconstitute the State Level Task Force in Andhra Pradesh due to Reorganization and include Commercial Tax Dept. as member for better understanding and reconciliation of information.

Similarly, the District Level Task Force Committee also conduct meetings regularly and discuss the matters relating to prevention of illegal mining/quarrying and transportation of minerals and recommend issues regarding inter-departmental co-ordination/co-operation in curbing illegal activity to the State Level Task Force for issue of suitable instructions for concerted efforts to resolve the local problems in controlling illegal mining and transportation of minerals.

INVESTIGATIONS & EXPLORATION

Department is carrying out investigations, Exploration and prospecting of mineral deposits, Building up History of Mines, Preparation of mineral belt maps, Rendering advice for establishment of mineral based industries, etc. These functions also comprise regional geological mapping followed up by detailed prospecting of mineral bearing areas selected on priority basis and estimation of reserves and grade. The Department further co-ordinates with all mineral investigations carried out by the Central and State agencies in the State of Andhra Pradesh. DM&G-AP is also carrying out Mineral Investigations and explorations on promotional basis, Exploratory drilling in promising mineral belts is also undertaken to estimate the grade and reserves of the minerals available before venturing exploitation. Further, Department takes measures to prevent frittering of large mineral deposits and takes adequate steps towards more systematic exploitation, with a view to properly conserve and utilize the minerals and for this purpose the Department advises the Government to reserve certain areas for exclusive exploitation in the Public Sector.
The Department through DEVELOPMENT OF MINERAL RESOURCES & TECHNOLOGY UPGRADEATION FUND (DMRTUF) carried out investigations like Scan of Srikakulam & Kurnool mineral resources for grounding of mineral projects, Limestone waste utilization from the intensive limestone mining areas in collaboration with NCCB, Iron Ore in Kadapa district and proved know potential, grade and resources for exploitation of Iron Ore, Promotional drilling for Granite in Prakasam, Limestone in Guntur & Anantapur districts.

In addition, the Department also took up the following investigations with the active participation of DMRTUF & Universities.

- Studies on exploration and reserve estimation for new and hidden bauxite deposits in EGMB of A.P.
- Geochemistry & utility of grey and black shale overburden of the Mangampet Baryte deposit- To probe the industrial application.
- Geochemistry of the Phosphoric siliceous dolostones near Pulivendla, Kadapa District.
- Evaluation of waste rock derived out of Dimensional Stone mining in parts of A.P and its utility.
- Evaluation of Dimensional Stone granite of Chittoor District, A.P.
- Geophysical Investigation of the gushing of gas in parts of Kadapa basin.
- Revival of sustainable mining activity in Nellore Mica Belt through prospecting for “COLTAN” (Colambite-Tantallum) and other economic minerals.

The Department also carried out preliminary survey studies and identified possible exclusive mining zones for quarrying/crushing of Road Metal in Visakhapatnam, Krishna, Guntur & Chittoor districts for declaration as exclusive mining zones for sustainable development and safe Mining.

MINERAL PROJECTS:

The Department took up initiative for grounding of Bauxite mining project and establishment of Alumina / Aluminum project with an investment of Rs.40,000 crores. M/s Anrakh (Andhra Pradesh & Govt. of Rasal Khaima) already established Alumina Smelter at Makavarapalem, Visakhapatnam. M/s Jindal Southwest Holdings acquired lands at Batwada Village, Vizianagaram for establishment of Alumina Smelter and Aluminium Refinery. Besides this, National Aluminium Company (NALCO) also proposes a similar project for exploitation of Bauxite in the State of AP.

Uranium exploitation project is already commenced at Thummalapalli, Kadapa Dist. by the Department of Atomic Energy through Uranium Corporation of India Ltd.
The extraction of heavy minerals from Beach Sand deposits along the coastal line is presently under private sector by M/s Trimax Sands Pvt. Ltd. M/s APMDC Ltd. identified the Beach Sand placer deposits and called for Expression of Interest for establishment of mineral separation units under Joint Venture. M/s VV Minerals entered into JV agreement with M/s APMDC Ltd for establishment of mineral separation plant with a project cost of Rs.6000 crores. Basing on the availability of huge deposits of Cement Grade Limestone a number of green field projects are proposed in the area in addition to the expansion by the existing Cement plants with Rs.3000 crores.

MINERAL INFO:

The Department participated in International granite trade fairs Marmomacc - International exhibition of Stone, design and Technology, Verona-Italy, PDAC-Canada and National exhibitions at Jaipur, Chennai and Bangalore to disseminate and promote the mineral potential and Mining Sector opportunities in the State.

DEVOLUTION OF POWERS:

The Department is also instrumental in devolution and delegation of certain powers to the Zonal Joint Directors in respect of Mineral regulation, issue of Mineral Revenue Clearance Certificate, approval of Mineral Revenue Assessment, Issue of Notices, approval of Mining Plans and transfer and deputation of staff for effective Mineral administration at ground level. The Department delegated powers to District Officers from the Regional Offices for issue of way bills under Mineral Dealers Rules 2000 to facilitate the Mineral Dealers to obtain way bills immediately from the respective district offices.

POLICY INITIATIVES:

- Enacted “the A.P. Mineral Bearing Lands” (infrastructure) Cess Rules, 2005 for collection of Cess on Mineral Bearing Lands for promotion of infrastructure facilities and rapid exploitation of Mineral resources in the State. Initially, only Coal, Oil, and Natural gas, Barytes, Lime Stone, Iron Ore and Granite are brought under the Cess Rules.

- Submitted proposals to Government for collection of uniform Seigniorage fee from the builders.


Submitted draft Model State Mineral Policy 2013 and the same is under finalization by the Government.

Initiated on-line filing mineral concession applications and successfully launched through Mee-Seva.

On-line payment of royalty and issue of dispatch permits is introduced as pilot project in Karimnagar District to be implemented in a phased manner in the entire State through IT&C Departments.

OTHER INITIATIVES:

State pursed with Central Geological Agencies for exploration of Diamond, Gold, Base Metals, Rare Earths, Beach Sand minerals, Volcanic Ash, Granites.

Identification of exclusive quarry zones around Vijayawada, Visakhapatnam, Guntur & Chittoor districts.

The Department has taken initiative to promote the manufacture sand. The Government conducted a workshop at Visakhapatnam with officials of R&B, Panchayat Raj, Irrigation etc. Departments, Stakeholders, Manufacturers, Academicians etc. to create awareness for usage of Manufactured Sand as an alternative to River Sand. The Government intends to conduct some more workshops at different places in Andhra Pradesh in due course.

The Department encouraged the Andhra Pradesh Mineral Development Corporation & other Private Sector entrepreneurs for mining & establishment of Beach Sand Mineral Separation Units, Titanium Slag & downstream industry at Vizianagaram & Srikakulam districts.

The Department encouraged APMDC for establishment of Low Grade Iron Ore beneficiation Plant at Ongole (Prakasam District) and large scale mining of Galaxy Granite (Prakasam District).
The Department has taken initiative in establishment of cement plants at Krishna, Guntur, Kurnool, Anantapur & Kadapa Districts.

The Government through APMDC intends to enter into Oil and Natural Gas exploration. The Department through Government requested the Government of India to allocate on-shore Oil and Natural Gas blocks to APMDC for exploration on nomination basis so as to cater the needs of the State.

The Revenue on the production of Oil & Gas from off-shore presently enjoyed by the Central Govt. shall be shared with the State for infrastructure development.