

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 761
ANSWERED ON 07.02.2024

MINING LEASES IN ANDHRA PRADESH

761. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of MINES be pleased to state:

- (a) the details of mining leases given in the State of Andhra Pradesh;
- (b) whether it is true that royalty being given to the Government of Andhra Pradesh by mining lease holders has come down from Rs. 417 crores in 2018-19 to 340 crores in 2020-21;
- (c) if so, the reasons therefor;
- (d) the details of royalty paid to the State in 2021-22, 2022-23 and 2023-24; and
- (e) the steps taken to increase the royalty to be paid to States on exploration of various minerals?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a): As per the information available in Ministry of Mines, there are 376 mining leases for various major minerals (other than atomic, minor and hydrocarbon energy minerals) in the state of Andhra Pradesh out of which 106 mines are working and 270 mines are non-working.

(b) & (c): As per Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957), every mining lease holder pays royalty for major minerals removed or consumed as per the royalty rates specified in the Second Schedule of the MMDR Act, 1957.

As per the information provided by the Government of Andhra Pradesh, the royalty accrual from major mineral mining leases decreased from Rs. 417 Crores in 2018-19 to Rs. 340 Crores in 2020-21 due to the covid-19 outbreak.

(d): As per the information provided by the Government of Andhra Pradesh, the royalty to the Government of Andhra Pradesh from major mineral mining leases in 2021-22, 2022-23 and 2023-24 is as under:

Year	Royalty accrual (in Rs. Crore)
2021-22	414
2022-23	433
2023-24 (till 31.01.2024)	412

(e): The MMDR Act, 1957 was amended with effect from 12.01.2015 whereby the auction regime was introduced for grant of mineral concessions in a transparent and non-discretionary manner. The method of auction also ensures that the State

Governments get their fair share of revenue accruing from grant of mineral concessions. In addition to royalty, districts affected by mining also get funds under District Mineral Foundation (DMF) as per the provisions of Section 9B of the MMDR Act, 1957.

Thereafter, the MMDR Act, 1957 was amended through the MMDR Amendment Act, 2021 with effect from 28.03.2021. Through the said amendment, timelines were prescribed for commencement of production and dispatch upon execution of mining lease.

So far, Government of Andhra Pradesh has auctioned 23 major mineral blocks out of which 2 blocks have commenced production and dispatch. The revenue realization on account of auction will commence when auctioned mines start production of minerals. Further, an amount of Rs. 1,888.62 Crores have accrued to the DMFs in Andhra Pradesh till November, 2023.

As a result of these reforms, pace of auction of mineral blocks and production of minerals have increased resulting in concomitant increase in revenue from mineral sector to the State Governments.
