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Jonnagiri Gold Mine – India Launches Its First Private Gold Mine

20 April 2026

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CURATED & WRITTEN BY



Bharat Choudhary

UPSC Educator & Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

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Jonnagiri Gold Mine — India Launches Its First Private Gold Mine

20 April 2026 · 4 min read · 2 tags

WHY IN NEWS

India is launching its **first large-scale private gold mine since independence** at **Jonnagiri in Kurnool district, Andhra Pradesh**. The project — backed by **Geomysore Services India Pvt Ltd** (a joint venture of Thriveni Earthmovers & Infra and Deccan Gold Mines Ltd) — holds **13.1 tonnes certified gold resources** and potential reserves up to **42.5 tonnes**, with production capacity of approximately **1,000 kg of refined gold annually** for 15 years. India imports over **800 tonnes of gold** each year, making this a significant step toward mineral self-reliance.

INDIA'S GOLD ECONOMY

The Import Dependency Problem

Gold is India's **second largest import item** (after crude oil). This creates a significant macroeconomic burden:

METRIC	VALUE
Annual gold imports	>800 tonnes
Import value (approx.)	~\$40–50 billion/year
Share of total imports	~5–7%
Impact on CAD	Major contributor to Current Account Deficit
Domestic gold production	~1.5 tonnes/year (only Hutti Gold Mines, Karnataka)

India's cultural and religious affinity for gold makes demand inelastic — weddings, festivals (Akshaya Tritiya, Dhanteras), and investment drive consistent demand. The result: a persistent **demand-supply gap** filled almost entirely by imports.

Existing Domestic Gold Production

The only operating gold mine in India before Jonnagiri is the **Hutti Gold Mine** in **Raichur district, Karnataka**, operated by the **Hutti Gold Mines Company Ltd (HGML)** — a Karnataka state government PSU. Production: ~1.5 tonnes annually — a fraction of India’s need.

Kolar Gold Fields (KGF) in Karnataka — once one of the world’s deepest gold mines — were **closed in 2001** by the Bharat Gold Mines Ltd (a central PSU) due to uneconomic depth (operations had reached ~3.2 km depth) and depleting ore grades.

JONNAGIRI — THE MINE

Location and Geology

PARAMETER	DETAIL
Location	Jonnagiri, Erragudi, and Pagidirayi villages, Kurnool district, Andhra Pradesh
Geological setting	Proterozoic greenstone belt — gold-bearing quartz veins
Certified gold resources	13.1 tonnes
Potential reserves	Up to 42.5 tonnes
Production capacity	~1,000 kg refined gold/year
Mine life	~15 years
Investment	₹400+ crore already invested

Developer

Geomysore Services India Pvt Ltd — a joint venture between:

- **Thriveni Earthmovers & Infra:** one of India’s largest mining services companies
- **Deccan Gold Mines Ltd:** listed exploration company focused on Indian gold deposits

The Aatmanirbhar Bharat Context

Jonnagiri is positioned as a flagship example of **Aatmanirbhar Bharat** in the mining sector:

- **MMDR Amendment Act (2021):** Streamlined mining auction process; allowed private sector entry into atomic minerals; created the **District Mineral Foundation (DMF)** for local community benefit

- **National Mineral Policy (2019):** Emphasised private sector participation, sustainable mining, and value-addition within India
- The **Mineral Exploration and Consultation Bureau (MECB)** — created to attract private investment in exploration

INDIA'S GOLD RESERVES — THE BROADER LANDSCAPE

India has substantial undiscovered gold resources across several geological belts:

STATE	KEY AREA	ESTIMATED RESOURCES
Karnataka	Kolar, Hutti, Dharwar	Large; historically mined
Andhra Pradesh	Jonnagiri, Ramagiri	Significant (Jonnagiri: 42.5t potential)
Jharkhand	Ghatsila, Singhbhum	Moderate
Rajasthan	Banswara, Bhukia	Large; Bhukia estimated ~200+ tonnes
Chhattisgarh	Bastar	Under-explored

Bhukia Gold Project in Rajasthan — held by Vedanta's subsidiary — has estimated resources of over 200 tonnes and is the largest undeveloped gold deposit in India. If developed, it would dwarf Jonnagiri.

SOVEREIGN GOLD BONDS AND GOLD MONETISATION

The government has parallel demand-management schemes to reduce physical gold imports:

SCHEME	LAUNCHED	PURPOSE
Sovereign Gold Bond (SGB)	2015	Investment alternative to physical gold; earns 2.5% annual interest
Gold Monetisation Scheme (GMS)	2015	Mobilise idle household gold (estimated 25,000+ tonnes) into productive use
Revamped Gold Monetisation	2024	Enhanced GMS with better terms for depositors

These schemes aim to reduce gold imports by **substituting paper gold for physical gold** and **mobilising idle household gold** into the banking system.

UPSC RELEVANCE

PAPER	ANGLE
GS3 — Economy	Mineral resources, import dependency, CAD, Aatmanirbhar Bharat, MMDR
GS1 — Geography	Gold mining geography, greenstone belts, Deccan geology
GS3 — Environment	Mining regulation, DMF, sustainable mining, environmental clearance
Mains Keywords	Jonnagiri, Kolar Gold Fields, Hutti Gold Mines, MMDR Amendment, DMF, Sovereign Gold Bond, Gold Monetisation, Bhukia, Aatmanirbhar

FACTS CORNER

- **India's annual gold imports:** >800 tonnes; ~\$40-50 billion — second largest import after crude oil
- **Jonnagiri location:** Kurnool district, Andhra Pradesh
- **Jonnagiri certified resources:** 13.1 tonnes; potential up to 42.5 tonnes
- **Jonnagiri production capacity:** ~1,000 kg refined gold/year for 15 years
- **Developer:** Geomysore Services India Pvt Ltd (Thriveni + Deccan Gold Mines)
- **Investment:** ₹400+ crore already invested
- **Hutti Gold Mines:** Only operating gold mine before Jonnagiri; ~1.5 tonnes/year; Karnataka state PSU
- **Kolar Gold Fields:** Closed 2001; depth reached 3.2 km; once among world's deepest gold mines
- **Bhukia Gold Project (Rajasthan):** Estimated 200+ tonnes; Vedanta subsidiary; largest undeveloped gold deposit in India
- **Sovereign Gold Bond:** Launched 2015; earns 2.5% annual interest; capital gains on redemption tax-exempt
- **MMDR Amendment Act 2021:** Streamlined auction, private sector access, District Mineral Foundation strengthened
- **District Mineral Foundation (DMF):** Funds collected from miners for local community welfare in mining-affected areas

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[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/daily/2026/04/20/jonnagiri-gold-mine-andhra-pradesh/>

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