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MINISTRY OF STEEL MINES & FUEL

(Department of Mines & Fuel)

NOTIFICATION

New Delhi, the 24th November 1959

G.S.R. 1288.—In exercise of the powers conferred by sections 5 and 6 of the Oilfields (Regulation and Development) Act, 1948 (53 of 1948), and in supersession of the Petroleum Concession Rules, 1949, the Central Government hereby makes the following rules, regulating the grant of exploration licenses and mining leases in respect of petroleum and natural gas which belong to Government, and for conservation and development thereof, namely:—

CHAPTER I—Preliminary

1. **Short title and commencement.**—(1) These rules may be called the Petroleum and Natural Gas Rules, 1959.
(2) They shall come into force on the 25th day of November, 1959.
2. **Savings.**—Nothing in these rules shall affect the provisions of the Petroleum Act, 1934 (30 of 1934), or the rules made thereunder.
3. **Definitions.**—In these rules, unless the context otherwise requires,
 - (a) "bore-hole" includes an oil well or gas well;
 - (b) "crude oil" means petroleum in its natural state before it has been refined or otherwise treated but from which water and foreign substances have been extracted;
 - (c) "drilling" or "boring" means perforation of the earth's surface crust by mechanical means (irrespective of whether the hole caused by the perforation is vertical, inclined, or horizontal) and includes all operations for preventing collapse of the sides of such hole or for preventing such hole from being filled with extraneous materials including water;
 - (d) "field" means the general area which is underlaid, or appears to be underlaid, by at least one pool, and shall include the underground reservoir or reservoirs containing petroleum or natural gas or both;
 - (e) "gas well" means any well the production from which is predominantly natural gas or condensate, or both in quantity;
 - (f) "geological survey" includes the examination of exposed rocks in the field, the collection of the necessary specimens of rocks and other materials, investigations in the laboratory the preparation of geological maps and geological sections and all other operations essential for the determination of the geological nature, age and structure of rocks in any area;

CHAPTER II—General

4. **No prospecting or mining except under a license or a lease.**—No person shall prospect for petroleum except in pursuance of a petroleum exploration license (hereinafter referred to as a license) granted under these rules, and no person shall mine petroleum except in pursuance of a petroleum mining lease (hereinafter referred to as a lease) granted under these rules. Every holder of a license and every holder of a lease shall in these rules be referred to as the licensee and the lessee respectively.

5. **Grant of license or lease.**—(1) A license or lease shall be granted by the State Government, with the approval of the Central Government, on such terms and conditions, subject to these rules, as may be agreed upon between the Central Government and the licensee or the lessee.

(2) The Central Government, if it deems fit, may from time to time notify in the Official Gazette relevant particulars regarding the basis on which the Central Government may be prepared to consider proposals for prospecting or mining operations in any specified area or areas.

6. **Initial licence or lease fee.**—A fee amounting to (i) Rs. 2,000 (Rupees two thousand) in the case of a license, and (ii) Rs. 5,000 (Rupees five thousand) in the case of a lease, shall be paid to the State Government by the licensee or the lessee prior to the formal grant of a license or a lease.

7. **Rights of the licensee and the lessee.**—Subject to the Act or any rules made thereunder and subject also to terms of the agreement that may be arrived at between the Central Government and the licensee or the lessee—

(i) every licensee shall have the exclusive right to carry out, in addition to geological and geophysical surveys, information drilling and test drilling operations for petroleum in the area covered by the license and shall have the exclusive right to a lease over such part of the land covered by the license as he may desire;

(ii) every lessee shall have the exclusive right to conduct mining operations for petroleum and natural gas in and on the land demised by such lease together with the right to construct and maintain in and on such land such works, buildings, plant, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tramways, railways, telephone lines, electric power lines and other structures and equipment as are necessary for the full enjoyment of the lease or for fulfilling his obligations under the lease.

8. **Terms and conditions of licenses and leases.**—Every license and lease shall contain such of the terms, covenants and conditions prescribed by these rules as are applicable, and such additional terms, covenants and conditions as may be provided in the agreement between the Central Government and the licensee or the lessee.

9. **Date of effect of licenses & leases.**—Every license and every lease shall be effective from the date specified in this behalf in the license or the lease.

CHAPTER III—Petroleum Exploration License and Petroleum Mining Lease

10. **Area and term of a license.**—Unless agreed otherwise, the area covered by a license shall ordinarily be 3,000 square miles, and the term of a license shall ordinarily in the first instance be four years which may be extended for two further periods of one year each.

11. **Security deposit, annual license fee and shedding of areas.**—(1) The applicant for a license shall, before the license is granted to him, deposit with the State Government, as security for due observance of the terms, covenants and conditions of the license, a sum of Rs. 20 for each square mile or part thereof covered by the license, subject to a minimum of Rs. 6,000 (Rupees six thousand).

(2) The licensee shall pay yearly in advance by way of license fee in respect of his license a sum calculated for each square mile or part thereof covered by the license at the following rates:—

(i) Rs. 10 for the first year of the license.

(ii) Rs. 50 for the second year of the license.

(iii) Rs. 250 for the third year of the license.

(iv) Rs. 500 for the fourth year of the license.

(v) Rs. 750 for the first and the second years of renewal.

(3) The licensee shall be at liberty to determine the license or relinquish any part of the area covered by the license on giving not less than two months' notice in writing to the State Government and the Central Government.

12. **Area and term of a lease.**—Unless agreed otherwise, the area covered by a lease shall ordinarily be one hundred square miles and the term of a lease shall ordinarily be twenty years.

13. **Mining lease fees, rent.**—(1) The applicant for a lease shall, before the lease is granted to him,—

(a) deposit with State Government, as security, a sum of Rs. 20,000 (Rupees twenty thousand), for due observance of the terms and conditions of the lease;

(b) also deposit with State Government, for meeting the preliminary expenses such sum, not exceeding Rs. 2,000 (Rupees two thousand), as the State Government may, with the approval of the Central Government, determine;

(2) On the grant of a lease, the lessee—

(a) shall pay to the State Government for every year a fixed yearly dead rent at the following rates:—

Rs. 5 per acre or part thereof for the first 50 square miles; and Rs. 10 per acre or part thereof for area exceeding the first 50 square miles, provided that the lessee shall be liable to pay only the dead rent or the royalty, whichever is higher in amount but not both;

(b) shall also pay to the State Government, for the surface area of the land actually used by him for the purpose of the operations conducted under the lease, surface rent at such rate, not exceeding the land revenue and cesses assessed or assessable on the land, as may be specified by the State Government with the approval of the Central Government.

14. **Royalty on petroleum and furnishing of return and particulars.**—(1) The lessee shall pay to the State Government on demand a royalty computed at the rate of ten per cent of the gross value at the well-head of all crude oil, casing-head condensate and natural gas obtained in each month from mining operations conducted pursuant to the lease. The State Government with the prior approval of the Central Government may direct that such royalty be paid in petroleum or natural gas:

Provided that royalty shall not be payable in respect of any crude oil, casing-head condensate or natural gas which is unavoidably lost or is returned to the natural reservoir.

(2) The lessee shall, within the first seven days of every month or within such further time as the State Government may allow, furnish or cause to be furnished to the State Government a full and proper return showing the quantity and gross value of all crude oil, casing-head condensate and natural gas obtained during the preceding month from mining operations conducted pursuant to the lease. The monthly return required to be furnished shall be, as nearly as may be, in the form specified in the Schedule annexed to these rules.

(3) If the State Government is not satisfied with any return furnished in accordance with sub-rule (2), it may require the person furnishing the same to furnish such further particulars as it may demand with respect to the crude oil, casing-head condensate or natural gas obtained as aforesaid, and may appoint an officer in this behalf to make all necessary enquiries in relation to such crude oil, casing-head condensate or natural gas. The officer so appointed may make all such enquiries and may require the lessee or the manager or person acting as manager or secretary of such lessee to produce for his inspection at the office of such lessee any books, accounts, documents, writings, papers or instruments in his possession or under his control which such officer may consider necessary to enable him to ascertain the quantity and gross value of the crude oil, casing-head condensate and natural gas obtained as aforesaid and may make copies of any entries or matters contained in such books, accounts, documents, writings, papers or instruments and upon completion of such enquiries such officer shall report thereon to the State Government.

On receipt of such report the State Government, if it is of the opinion that the quantity or the gross value of any crude oil, casinghead condensate or natural gas declared in the return furnished in accordance with this rule is too low, may determine the quantity and assess the value for such crude oil, casinghead condensate or natural gas based on the average selling price in the local market and royalty shall be paid on the value so assessed.

(4) Every officer in Government service shall preserve and aid in preserving secrecy with regard to the contents of any return made under this rule which have come to his knowledge in his official capacity and shall not communicate such matter to any other person unless required in the performance of his official duties or under the authority of a Court of competent jurisdiction.

15. **Survey.**—If at the time of the grant, or at any time during the term, of a lease, the State Government is of the opinion that survey or resurvey of the land covered by such lease or any part of such land is necessary, such land or part thereof shall be surveyed by a qualified surveyor and the lessee shall within the period specified by the State Government pay to the State Government, for such survey or re-survey such fee as the State Government may, with the approval of the Central Government, determine.

CHAPTER IV—Other Provisions relating to Licenses and Leases

16. **Identification of areas.**—Within three months from the date referred to in rule 4, the licensee or the lessee shall display notices at all conspicuous points on the area covered by the license or the lease so as to indicate its boundaries and shall thereafter, during the term of such license or lease, maintain such notices to the satisfaction of the State Government.

17. **Transfer or assignment.**—The licensee or the lessee shall not assign or transfer his right, title and interest in respect of the license or the lease or in respect of the land covered by such license or lease without the consent in writing of the Central Government being first obtained through the State Government.

18. **Pre-emption.**—(1) In the case of a national emergency in respect of petroleum, the Central Government shall, at all times, during such emergency, have the right of pre-emption of the refined petroleum or petroleum products produced from the crude oil or natural gas extracted from the area held under a lease, or of the crude oil or natural gas where the lessee is permitted to sell, export or dispose of it without its being refined within India; provided that the fair market price prevailing at the time of pre-emption shall be paid to the lessee by the Central Government, for the petroleum or petroleum products or the crude oil or natural gas taken in pre-emption.

(2) The Central Government shall be the sole judge as to what constitutes a national emergency in respect of petroleum, and its decision in this respect shall be final.

19. **General provisions.**—The licensee or the lessee shall—

- (a) maintain in good repair and condition all apparatus, appliances and wells capable of producing petroleum on the land covered by the license or the lease.
- (b) execute all prospecting or mining operations on such land in a proper and workmanlike manner in accordance with such methods and practice as are customarily used in modern oilfield practice and abide by all instructions, directions and orders that may be given pursuant to any rules under chapter VI, and
- (c) upon the determination of the license or the lease or upon the relinquishment of any area covered by it shall furnish to the Central Government through the State Government confidentially complete records of all the data such as surface geological maps and sections, magnetic and gravity measurements and anomaly maps, seismic profiles, sections and structure contour maps, electrical and telluric current survey data, and other information which have a direct or indirect bearing on the petroleum and mineral possibilities in the area, collected by the licensee or the lessee or his agents or contractors.

(g) "geophysical survey" means the search, by instruments for the presence of suitable underground geological structures and includes the sinking of bore-holes for detonating explosives necessary for the purpose, but not the drilling of deep core-holes or the sinking of trial shafts, trenches, or other kinds of large and deep excavations connected with prospecting;

(h) "information drilling" means the drilling of bore-holes for the purpose of procuring scientific information and not with the immediate object of obtaining petroleum;

(i) "natural gas" means gas obtained from bore-holes and consisting primarily of hydrocarbons;

(j) "oil well" means any well which is capable of producing crude oil and which is not a gas well;

(k) "petroleum" means naturally occurring hydrocarbons in a free state, whether in the form of natural gas or in a liquid, viscous or solid form, but does not include helium occurring in association with petroleum, or coal, or shale, or any substance which may be extracted from coal, shale or other rock by the application of heat or by a chemical process;

(l) "petroleum deposit" means any accumulation of petroleum on or below the surface of the earth;

(m) "pool" means an underground reservoir containing a common accumulation of petroleum or natural gas or both and includes each zone of a general structure which is completely separated from any other zone in the structure;

(n) "petroleum product" means any commodity made from petroleum or natural gas and shall include refined crude oil, processed crude petroleum residuum from crude petroleum, cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum, casinghead gasoline, natural gas gasoline, naphtha, distillate, gasoline, kerosene, waste oil, blended gasoline, lubricating oil, blends or mixture of oil with one or more liquid products or by-products derived from oil or gas, and blends or mixtures of two or more liquid products or by-products derived from oil condensate, gas or petroleum hydrocarbons, whether herein enumerated or not;

(o) "prospect" with its grammatical variations means search for a petroleum deposit;

(p) "stratum" means a layer of rock more or less similar throughout a lithological unit;

(q) "the Act" means the oilfields (Regulation and Development) Act, 1948 (5 of 1948); and

(r) "waste" includes the following:—

- (i) the inefficient, excessive, or improper use or dissipation of reservoir energy, and the locating, spacing, drilling, equipping, operating, or producing of any oil or gas well in a manner which results or tends to result in reducing the quantity of oil or gas ultimately to be recovered from any pool;
- (ii) the inefficient storing of petroleum; and the locating, spacing, drilling, equipping, operating or producing of any oil or gas well in a manner causing or tending to cause unnecessary or excessive surface loss or destruction of petroleum or natural gas;
- (iii) producing petroleum or natural gas in such a manner as to cause unnecessary channelling of water or gas or both, or coming of water;
- (iv) the submerging with water of any stratum or part thereof capable of producing petroleum or natural gas;
- (v) the creation of unnecessary fire hazards;
- (vi) the escape into the open air, from a well producing both petroleum and natural gas, of gas in excess of the amount which is necessary for efficient production from the well; and
- (vii) permitting gas produced from a gas well to escape into open air.

CHAPTER V—*Suspension and Cancellation*

20. **Suspension of conditions of license or lease.**—(1) Upon written application being made by the licensee or the lessee, or, where there are two or more of them, by not less than one-half of their number, the State Government may, from time to time if it considers that adequate reasons have been furnished and with the prior approval of the Central Government authorise, for periods not on any occasion exceeding six months, suspension of any or all of the terms, covenants or conditions relating to the working of the land covered by the license or the lease.

(2) The State Government may, if it authorises suspension as aforesaid, impose such conditions as it may think fit for the protection of any bore-holes, equipment or works on such land, or for the protection of any petroleum deposits, water or minerals in such land or in any adjacent land, or for any other purpose whatsoever and the licensee or the lessee shall comply with such conditions as if they are incorporated in the license or the lease.

21. **Cancellation of licenses and leases.**—(1) If the licensee or the lessee or his executors, administrators or assigns at any time during the term of the license or the lease—

- (a) fails to fulfil, or contravenes, any of the terms, covenants and conditions contained therein, or
- (b) fails to use the land covered by it bonafide for the purposes for which it has been granted, or
- (c) uses such land for a purpose other than that for which it has been granted,

the State Government may, with the prior approval of the Central Government, where it is satisfied that the failure, contravention or user is such as cannot be remedied, on giving thirty days notice to such person, forfeit the whole or any part of the security deposit made under rule 11(1) or rule 13(1)(a) and may cancel the license or the lease. Such cancellation shall be published in the *Official Gazette* and shall take effect from the date of such publication. If the failure, contravention or user is considered to be of a remediable nature, the State Government shall give notice to such person requiring him to remedy the same within sixty days from the date of receipt of the notice and informing him that the penalty as aforesaid may be imposed if such remedy is not provided within such period. The State Government may, with the prior approval of the Central Government, impose the penalty as aforesaid if such person fails to so remedy within such period:

Provided that the failure on the part of such a person to fulfil any of the terms, covenants and conditions of the license or the lease shall not give the State Government any power to impose the penalty as aforesaid in so far as such failure arises from *force majeure*; and if through *force majeure* the fulfilment of any of the terms, covenants and conditions of the license or the lease be delayed, the period of such delay shall be added to the period fixed by the license or the lease for the performance of any act. "*Force majeure*" includes an act of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake, and any other happening which the licensee or the lessee could not reasonably prevent or control.

(2) A license or a lease may be cancelled either wholly or in part by the State Government, after approval of the Central Government, upon the written request of the licensee or the lessee or, where there are two or more of them, of not less than one-half of their number and such cancellation shall be published in the *Official Gazette* and shall take effect from the date of such publication: Provided that in the case of a request for cancellation in part of a license or a lease, if the State Government is of the opinion that survey or resurvey is necessary such survey or resurvey shall be carried out by a mining surveyor and the licensee or the lessee shall within the period specified by the State Government pay to the State Government for such survey or resurvey such fee as the State Government may, with the approval of the Central Government, determine.

(3) If during the term of a license or a lease any part of the land covered by it is required for any public purpose, the State Government may, after approval of the Central Government and upon one month's notice, cancel such license or lease in so far as it relates to the said part of the land subject to such restrictions and conditions as it may impose and such cancellation shall be published in the *Official Gazette* and shall take effect from the date of such publication.

22. **Delivery of premises upon determination of license or lease.**—(1) Upon determination of the license or the lease under these rules the licensee or the lessee shall deliver up the land covered by it, and all wells on that land in good order and condition.

(2) At any time within six months after the determination of the license or the lease under these rules or within such further time as the State Government may allow, the former licensee or lessee may, subject to these rules remove or dispose of any petroleum recovered, during the currency of such license or lease, and all stores, equipment, tools, and machinery, and so much of the improvements on the land covered by the license or the lease as the State Government may permit.

(3) If such petroleum, stores, equipment, tools, machinery and improvements are not so removed or disposed of, they may be sold by auction by order of the State Government at the risk of the former licensee or lessee. The proceeds of such sale shall be held by the State Government until applied for and obtained by him.

23. **Fees, etc., payable by due date.**—(1) All license fees, lease fees, royalties and other payments under these rules shall, if not paid to the State Government within the time specified for such payment, be increased by ten per centum for each month or portion of a month during which such fees, royalties or other payments remain unpaid.

(2) Subject to these rules, if any license fee, lease fee, royalty or other payment due in respect of a license or a lease is in arrears for more than three months, the State Government may, with the prior approval of the Central Government, cancel such license or lease and such cancellation shall be published in the *Official Gazette* and shall take effect from the date of such publication.

CHAPTER VI—Conservation and Development

24. **Preservation of cores and samples for examination etc.**—(1) Every licensee or lessee shall—

(a) so far as is reasonably practicable collect, label and preserve for reference for a period of at least twelve months all bore-cores and characteristic samples of the strata encountered in any borehole on the land covered by the license or the lease and samples of any petroleum or water discovered in any bore-hole on such land, and

(b) furnish to the Central Government detailed reports of all examinations made of such cores and samples.

(2) Cores and samples preserved as aforesaid shall at all times be made available for examination to the agent authorised by the Central Government and may be taken for the purpose of analysis or other examination but no information obtained as a result of such analysis or examination shall be published without the consent of the licensee or the lessee unless the Central Government sees fit to direct otherwise.

25. **Directions to prevent waste.**—The lessee shall comply with such directions as the Central Government, or the State Government with the prior consent of the Central Government, may issue restricting the use of petroleum or natural gas for any purpose which the Central Government or the State Government may consider to be uneconomical or conducive to waste.

26. **Spacing of wells.**—The Central Government may issue instructions for—

(a) the spacing of oil wells; and

(b) the spacing of gas wells:

Provided that no such well shall be drilled at any point, within a minimum distance, to be prescribed by the Central Government, of any railway, pipeline or other right of way, surveyed road, dwellings, industrial plant, air-craft runway, buildings used for military or public purposes, or within two miles of any mine, whether active or abandoned, unless the special permission of the Central Government is obtained in advance.

27. **Restriction of production.**—The Central Government may in the interests of conservation of mineral oils by general or special order, restrict the amount of petroleum or natural gas or both that may be produced by a lessee in a particular field.

(3) The agency may, in order to carry out its functions under these rules, depute any person authorised by it in this behalf to enter into and inspect any oil well or gas well, or any drilled hole or information well in the process of drilling.

CHAPTER VII—Miscellaneous

33. Arbitration of disputes.—Every license or lease shall be subject to the following term, namely:—

Any dispute (including a dispute regarding the gross value referred to in rule 14 and a dispute regarding the market price referred to in rule 18) between the Government and the licensee or the lessee regarding—

- (a) any right claimed by the licensee or the lessee under the license or the lease, or
- (b) any breach alleged to have been committed by the licensee or the lessee of any of the terms, covenants or conditions of the license or the lease, or any penalty proposed to be inflicted therefor, or
- (c) the fees, royalty or rents payable under the license or the lease, or
- (d) any other matter or thing connected with the license or the lease,

shall be settled by two arbitrators, one to be nominated by the Government and the other by the licensee or the lessee, or, in the case of disagreement between the arbitrators, by an umpire appointed by the arbitrators by writing under their hands before proceeding with arbitration. The arbitrators or the umpire shall also determine which party shall bear the expenses of the arbitration or whether such expenditure shall be divided between the two parties and if so, in what proportion.

34. Saving of existing licenses & leases.—Notwithstanding the supersession of Petroleum Concession Rules, 1949, all licences and leases granted thereunder, which are still in force on the commencement of these rules, shall continue to be in force, and such supersession shall not affect—

- (i) any right, privilege, obligation or liability acquired, accrued or incurred under the said Petroleum Concession Rules, 1949, or
- (ii) any penalty, forfeiture or punishment incurred in respect of any contravention of the provisions of the said Petroleum Concession Rules, 1949, or the said licenses and leases.

SCHEDULE

[See Rule 14(2)]

Monthly Return of Crude Oil, Casinghead Condensate and Natural Gas Produced and Value Thereof.

Petroleum Mining Lease No.....
 Name of lease
 Month and Year.....

A. Crude Oil

1	2	3	4	5	6
Total Gallons obtained	Gallons unavoidably lost or returned to natural reservoir	Gallons used for purposes of petroleum mining operations approved by the State Government	Gallons obtained less columns 2 and 3	Gross value of gallons obtained as shown in column 4	Remarks

B. Casinghead Condensate

1	2	3	4	5	6
Total Gallons obtained	Gallons unavoidably lost or returned to natural reservoir	Gallons used for purposes of petroleum mining operations approved by the State Government	Gallons obtained less columns 2 and 3	Gross value of gallons obtained as shown in column 4	Remarks

C. Natural Gas

1	2	3	4	5	6
Total Cubic feet obtained	Cubic feet unavoidably lost or returned to natural reservoir	Cubic feet for purposes of petroleum mining operations approved by the State Government	Cubic feet obtained less column 2 and 3	Gross value of cubic feet obtained as shown in column 4	Remarks

... *I or we ... *of ... do hereby solemnly and sincerely declare and affirm that the information in this return is true and correct in every particular and * make this solemn declaration conscientiously believing the same to be true..

[No. 167/49/57-Tech.]

C. P. JACOB, Under Secy.

5. It is resolved by this Working Committee to observe Seetharema Mica Mine Workers Solidarity Day on 28th June '59 and appeals to all Unions in Andhra Pradesh to give all support to the cause of the workers on that day.

6. This Working Committee expresses its strong resentment against the Andhra Pradesh Government in not publishing the minimum wages of the mica industry in the 'Andhra Gazette' submitted by the Minimum Wages Board for publication and requests the Government of Andhra Pradesh to publish the same without further delay.

7. It is resolved by this Working Committee to hold the 4th Annual Conference of the Andhra Pradesh Mica Workers Union at Gudur in the 4th week of August 1959.

8. This Working Committee appeals to all the workers of mica industry to donate liberally to the Building Fund of the All India Trade Union Congress to be presented to Com. S.A. Dange, General Secretary, All India Trade Union Congress on his 61st Birthday i.e. Oct. 10, 1959.

S. S. Subbaya 9/6/59
(G. S. Subbaya)
General Secretary.

ANDHRA PRADESH MICA WORKERS UNION

(AFFILIATED TO THE AITUC)

Reg. No. 1772

The General Secretary,
All India Trade Congress,
4, Asoka Road,
New Delhi.

GUDUR (Nellore Dt.
(ANDHRA PRADESH)

Date 26.2.59

Dear Comrade,

Sub:- Seetharama Mica Mine - Kalichedu - Nellore Dt. -
Andhra Pradesh - Dispute between the management and
Union pending from 28-4-1958 - 269 workers out job -
Rival Union started under the Auspices of the mine
owners - Grave situation arisen - Immediate action -
requested.

Bring the following to your kind notice and immediate
action:-

Though there were unions from 1939 we amalgamated all the
unions into one and formed the Andhra Pradesh Mica Workers Union
in the year 1953. From the start up till now our union is func-
tioning as the sole representative of working class belonging to
mica mining industry. We have spread trade union consciousness
among the workers and developed the conditions of the working class
to the best of our ability.

In this state of affairs the management of one Seetharama
mica mine, Kalichedu which is one of the largest producing mines
in Gudur Mining area noted the consciousness of the workers in as
members of our union. As a first
step in their programme to suppress the trade union and its acti-
vities, the management dismissed seven workers who are most im-
portant members of our union on 24-8-1958.

In this connection there were several conciliation meetings
held by the regional officers of the Central Labour Ministry but
all these meetings ended in failure. At last the working Committee
of our Union passed a resolution to strike work with effect from
8-9-1958 (we are herein enclosing a copy of the resolution for
your perusal). We have met Com. K. L. Narasimham and Raj Bahadur
Gour in this respect. Com. K. L. Narasimham who visited Gudur
also took part in one of the meetings with the management. As we
could not reach any agreement with the management, at last we
had to resort to strike work from 11-9-1958. During the period
of strike nearly 150 persons were arrested and Section 144 Cr.P.C.
was promulgated in Kalichedu mining area for one month. All the
mine owners joined together and tried their best to break the
strike. In spite of all the influence exerted and money spent
by the owners as the morale of the workers was so great that
not even 10% of the strength attended to work. After a period of 24 days on 4-10-1958 Com. K.L. Narasimham and
Raj Bahadur Gour came to Kalichedu and advised to call off the
strike which was ultimately called off on 4-10-1958 on the weight
of their advice as the R.L.C. promised to do something in the mat-
ter if the strike was withdrawn. The management have not taken
back the 7 workers into service but they have altogether thrown
219 workers out of their jobs and kept 150 workers on lay off.

In this connection I invite your attention to one important
fact. All the mine owners conspired and formed an 'Evil Plans
Committee', and their main programme was to start a rival union.
Accordingly they have started one styled as 'Mica Karmicka Snagam'
Gudur with a donation of Rs.10,000/- by the owners at the very
incitement. All the owners of the mines are endeavouring their
best to take the members of our union into this rival union which

ANDHRA PRADESH MICA WORKERS UNION

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GUDUR (Nellore Dt.

(ANDHRA PRADESH)

-2-

/ Date 26-2-59

is set up as a snare. Most of the office bearers of this union are the managers of the mines. These persons are deducting certain amount while disbursing wages towards membership subscription. Members belonging to our union are persistently threatened with dismissal if they do not join this rival union as members. These are only a few of the activities of the mine owners. Owners of Seetharama Mica Mines are the main participants in this union.

Under the circumstances mentioned above we request you to contact the C.L.C. and come to final decision regarding the following issues:-

1. Dismissed 7 workers:- On 28-4-58 seven militant workers have been dismissed from service for the reason that they have been taking active part and working vigorously to enhance the activities of the union. Many conciliation proceedings for settling this dispute ended in failure. At last the joint Secretary of our union issued a notice to the management that he would fast unto death if the seven workers are not reinstated before 20-5-58. As the management have not cared to send any reply, our joint secretary started fast on 20-5-58. Day by day the sympathy of the whole mining area grew so much that the management had to climb down and enter into a settlement on 30-5-58 under rule 58 (4) of the Industrial Dispute Rules, 1957. The main condition of the settlement is that a committee will be constituted, two persons representing the union and two persons representing the management with a mutually agreed chairman and the decision of the committee will be final and the joint secretary should break his fast, forthwith. Accordingly our Joint Secretary broke the fast on 31-5-58. As we could not mutually agree with as to the selection of the person for chairmanship, the dispute has not been settled so far. At present as there is no other go to settle the dispute we are thinking of filing an application under section 10 (2) for adjudication by a Labour Court. Wensed your advice in the matter immediately.

7 workers dismissed on 28-4-58 have not been reinstated. Even in the latest conciliation meeting held on 29-12-58 and 30-12-58 the C.L.C. has not at all touched about the issue. Hence in view of the long delay the matter should be decided. If their reinstatement is not possible we must try to take this matter to the Tribunal without any further delay.

2. Dismissal of 11 workers:- These workers have been stopped from service with one day's notice without showing any cause whatsoever. This was also one of the issues of the strike which should be decided as early as possible.

3. Retrenchment of 17 workers:- 17 workers have been dismissed on 4-12-58 contrary to the memorandum of settlement arrived at on 12-11-58. In this connection we are enclosing our letter dated 4-12-58 addressed to the R.L.C. putting forth our contentions in the letter.

4. Retrenchment of 84 workers:- The registers scrutinised by the R.L.C. is only from 1954 to 1958 though the mine has been working from the year 1937. When the R.L.C. has visited the spot of the mine on 30-12-58 and inspected the office at the mine, the management have not produced the registers. Rule 75 (a) of the Mining Rules, 1955 requires that all the registers etc; should be kept in the office at the mine. Therefore the non-production of registers in violation of this rule is designed only to gain time to cook

ANDHRA PRADESH MICA WORKERS UNION

(AFFILIATED TO THE AITUC)

Reg. No. 1772

GUDUR (Nellore Dt.

(ANDHRA PRADESH)

-3-

Date 26.2.59

up the seniority list. If the old registers are not available with the management they will not be in a position to prepare a fresh Employees Register in which dates of service commencing from the year 1947 are mentioned. The management requested time for time obviously for cooking up records which was gladly granted by the P.I.C. The P.I.C. in way connived with the management in suppressing the records by granting them time. In view of the letter of the P.I.C. supporting the management in the retrenchment and the partiality shown by him contrary to the rule quoted above this matter should be decided by the P.I.C.

5. Dismissal of 10 workers after strike:- Though the 10 workers applied for leave the management dismissed these workers on the ground that they have absented from duty without leave. No other charge has been levelled against these workers by the management. As the P.I.C. is turning a deaf ear to us in this matter it should be decided by the P.I.C.

6. Keeping 150 workers on lay-off:- 150 workers have been kept on lay-off on the ground that the production has been lowered due to strike. As per the memorandum of settlement dated 20-12-58 these workers should have been taken into duty. No such thing has taken place. P.I.C. is taking a lenient view towards the management and so we cannot expect any justice from him. All these are factory workers and all most all of them are women. They are put to serious hardship. Hence this matter should be settled by the P.I.C.

Finally we want to let you know that the issues 5 to 6 are the result of the vengeance of the management after the strike. If we are not in a position to settle these issues forthwith, the prestige of the union will be lowered. Hence we request you to discuss these issues with the C.I.C. and the Labour Minister and give shape to a final settlement and save the workers from ruin. Thanking you.

Yours faithfully,

S. S. Sanyal
27/2
General Secretary.

Copy to the: Comrade K.N. Narasimham,
I.P.,

New-Delhi.

" Comrade P.V. Vittalrao, M.P.,
New-Delhi.

" Comrade K.P.K. Thangamani, M.P.,
New-Delhi.

" Raj Bhaldoor Goud, I.P., New-Delhi.

14 AUG 1959

Andhra Pradesh Mica Workers' Union

(AFFILIATED TO THE AITUC)

Reg. No. 1772

27
GUDUR, (Nellore Dt.)
ANDHRA PRADESH

F.P.C/1/59.

Date 12-8-1959.

Dear Comrade,

As you know, the Mica Industry in Andhra Pradesh is one of the major industries. The Mica Industry provides employment directly or indirectly to about two lakhs of persons. There are about 50 working mines employing about 10000 persons. About 90% of the employees in factories are women. The conditions of service of these employees are far from satisfactory. They are only paid starvation wages. They are not allowed the benefits of Insurance, Provident Fund, Pension Scheme or gratuity. The weekly holiday is not a paid holiday. The bonus that is paid hardly works out to 12 day wages for the year. The houses provided for residential ~~about~~ are too primitive and lack amenities.

The minimum wages fixed up in 1952 are still in vogue. Mica labour is highly sweated labour and silicosis which is incidental to this industry is taking a heavy toll of life. There is inordinate delay in enforcing decrees under the W.C. Act and the Payment of Wages Act. Even the compromise award of the Appellate Tribunal was not implemented for a long time.

The Mica Welfare Fund is rendering useful service to Mica employees.

Minimum wages fixed up by the Minimum Wages Committee (One Man Committee) in January

1959 have not been approved by the Government of Andhra Pradesh and published in the Gazette.

The cost of food-grains has gone up considerably in the mining area. Provision of Fair-price Shops is very necessary and urgent.

Even though Andhra Pradesh is very rich in mineral deposits paradoxically, there are no industries which can utilise these minerals as raw material.

The Fourth Provincial Andhra Pradesh Mica Workers Conference will be held at Gudur, the key centre of the Mica Industry in Nellore District, on Sunday and Monday the 29th and 30th August, 1959 respectively.

We shall be highly thankful if you could participate in the said conference and give us the benefit of your valuable advice. As the programme for the conference has to be drawn up on your acceptance of the invitation, an early reply is solicited.

With fraternal greetings,

Yours faithfully,

L. S. W. Datta
12/8

General Secretary.

10
Comrade S. A. Dange

† General Secretary, M.P.

A. I. T. U. C.

New Delhi.

12 JUN 1959

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(271)

The Working Committee meeting of the Andhra Pradesh Mica Workers Union was held at Gudur on 8-6-'59 under the presidentship Mr, P. Ramakotayya, Vice-President, in the absence of its President Mr. P.C. Reddy. Mr. K. L. Narasimham, M.P., General Secretary of the Andhra Pradesh Trade Union Congress attended the meeting. The following resolutions were passed unanimously.

1. The Working Committee of the Andhra Pradesh Mica Workers Union strongly condemns the attitude of the management of Seetharama Mica Mine, Kalichedu in not implementing the agreements reached on 30-5-'58, 12-11-'58 and 30-12-'58 and subsequently retrenching 218 workers and also dismissing 45 workers with various pretexts.
2. This Working Committee expresses its strong resentment against the attitude of the Government of India in not settling the disputes as requested by this Union.
3. This Working Committee appeals to the All India Trade Union Congress to represent the case of the Andhra Pradesh Mica Workers Union to the Labour Minister, Government of India and seek his personal intervention for rendering justice to the workers.
4. This Union brings to the Government of India that the owners of Seetharama Mica Mine, Kalichedu are encouraging the "Company" Union and forcing the workers to join that Union. This attitude of the management amounts to unfair labour practices and a direct attack on the Trade Union movement and this Working Committee further appeals to all the Unions in Andhra Pradesh to give all possible support to this Union in its struggle against unjust dismissals, retrenchment and for Trade Union Rights.

5. It is resolved by this Working Committee to observe Seetharama Mica Mine Workers Solidarity Day on 28th June '59 and appeals to all Unions in Andhra Pradesh to give all support to the cause of the workers on that day.

6. This Working Committee expresses its strong resentment against the Andhra Pradesh Government in not publishing the minimum wages of the mica industry in the 'Andhra Gazette' submitted by the Minimum Wages Board for publication and requests the Government of Andhra Pradesh to publish the same without further delay.

7. It is resolved by this Working Committee to hold the 4th Annual Conference of the Andhra Pradesh Mica Workers Union at Gudur in the 4th week of August 1959.

8. This Working Committee appeals to all the workers of mica industry to donate liberally to the Building Fund of the All India Trade Union Congress to be presented to Com. S.A. Dange, General Secretary, All India Trade Union Congress on his 61st Birthday i.e. Oct. 10, 1959.

S. S. in Hand 9/6/59
(G. G. Subbaya)
General Secretary.