



SAVE

OCTOBER-2017

News Letter

Special points of interest:

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Social Awareness and Voluntary Education (SAVE)

SAVE (Social Awareness and Voluntary Education) is a registered Indian Non-Governmental Organization, promoted in the year 1993, as a growing response to the challenge of preventing the child labor practices. Internalizing the fact that the issue of child labor needs to be addressed in a multipronged strategy SAVE expanded its intervention among women and textile and garment industry workers focusing promotion of the comprehensive rights of the garment and textile industry workers and empowerment of women. Currently SAVE reaches out to children, young women, women, textile and garment workers including the migrant workers.

Since 1995, SAVE has been carrying out programs among children in distress primarily among the children working in textile and hazardous industries with specific emphasis on promotion of health and educational rights through special schooling for the drop out children and child labourers and through vocational training support. Community sensitization is one of the main activities towards prevention of child labor. SAVE initiated campaigns and advocacy strategies could mainstream the issues of child labor and the plight of young girls in the garment and textile industry. SAVE has the unique credibility of being the champion organization in exposing the child labor issues in Tirupur.

TIRUPUR UPDATE: A NEWSLETTER OF SAVE

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Garments

Continuation of duty drawback ratio with no reduction – insistence by Exporters' Association

Dinakaran - October 2, 2017

Tirupur: It was stressed at the Exporters' Association meeting that the government should co-operate without reducing the duty drawback ratio.

The general meeting of the Tirupur Exporters Association was held yesterday at the JKF premises near Palankarai. Raja M Shanmugam, President of the association, presided over the event. He mentioned that a demand was submitted through the garment export development council to the textile ministry's business department requesting continuation of the duty drawback concession ratio without reduction. In response, the minister assured that the duty drawback ratio will not be reduced until December. Likewise, one more demand to continue the state levies concession was also submitted.

Raja M Shanmugam, said, "The competition in the garment export business has been increasing day by day. The reduction of the duty drawback ratio will result in the slowing down of the garment industry in the future. We must have a tax free agreement with European countries. Therefore, the government is requested to continue the duty drawback concession ratio without reduction. This concession must be regarded as critical to the overall development of the garment industry, and thus it must be provided. The concession should not be provided to foreign businessmen. The government must concentrate on labour skills development, implementing modern technology and earning foreign exchange."

Garment exporters express concern over delay in formulation of textile policy

The Hindu - October 2, 2017

'Policies should focus on creation of R&D facilities'

Tirupur: The annual general meeting of the Tirupur Exporters Association held here has expressed concern over the delay in the formulation of a national textile policy as well as a policy at the state level.

Link

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/garment-exporters-express-concern-over-delay-in-formulation-of-textile-policy/article19782817.ece>

Road map

“Textile policies are imperative blueprints needed for sustained growth since it lays down a planned road map for development. Lack of such policies will give progress only in bits and pieces”, TEA president Raja M. Shanmugam told on the sidelines of the event.

The exporters have been eagerly looking for the policies at national and state levels for a long time to know what types of structural and infrastructural supports were in store for the textile sector in the years to come.

Skill development

“The policies should focus on creation of Research and Development (R&D) facilities, skill development support, and construction of housing facilities for migrant workers, among other initiatives”, opined Mr. Shanmugam.

The meeting reiterated the need to expedite the construction of multispecialty ESI hospital, setting up of a dedicated power station for Tirupur cluster, and further requested for incentives from the governments to set up units for production of technical textiles.

Free Trade Agreement

The exporters were happy that the Economic Survey report tabled in Parliament this year had justified their needs for speedy signing of a Free Trade Agreement with European Union to get preferential tariff advantages.

Restructured ROSL creates more confusion in knitwear cluster

The Hindu - October 3, 2017

Tirupur: The restructuring of Rebate on State Levies (ROSL) rates to lower slabs a few days back and got it implemented with effect from October 1 has only increased the confusion for garment exporters in Tirupur knitwear cluster due to ambiguities in implementation procedures.

The rates were revised taking Goods and Service Tax (GST) into consideration by including only the duties which would not be repaid otherwise under GST.

Products

Henceforth, the ROSL for the garment segment in Tirupur knitwear cluster will be in the range of 0.97 per cent to 1.22 per cent depending on the products against the earlier bandwidth ranging between 3.3 and 3.9 per cent.

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[http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/
restructured-rosl-creates-more-confusion-in-knitwear-cluster/
article19788112.ece](http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/restructured-rosl-creates-more-confusion-in-knitwear-cluster/article19788112.ece)

The reassessed ROSL comprise the Value Added Tax (VAT) on fuel used in transportation of raw materials, workers and finished goods, the VAT on fuel used in generation of captive power, the mandi/market tax on purchase of cotton and the duty on electricity used in manufacture as accumulated from the stage of fibre to production of finished goods.

The real complication feared by the garment exporters comes in the refund segment due to lack of clarity in the mechanism. "Refund is possible only after all the taxpayers file the original returns in GSTR (GST Returns) Forms 1, 2 and 3.

"But, the current scenario is that due date for filing the GSTR Form -3 for July was scheduled only for October 31.

Moreover, the due dates for August and September are yet to be announced," pointed out S. Dhananjayan, a senior chartered accountant and advisor to Tirupur Exporters' Association.

In the circumstances, the refunds mechanism will be in disarray, he added.

Raja Shanmugam, president of Tirupur Exporters' Association, was of the opinion that the ROSL rates prevalent till September should be continued at least till December 31, i.e. end of the current quarter of the financial year, till refund procedures through online portal were streamlined.

The executive committee meeting of tailoring workers' union

Dinamalar - October 5, 2017

Tirupur: Both the general member meeting and the executive body meeting of the tailoring workers' union was recently held in Tirupur.

On the eve of the occasion the following resolutions were passed in the said meeting: a bonus increase of 10 percent must be paid to workers such as Singer tailors, power table, over lock and embroidery workers, including the tailoring workers already employed. An amount of Rs. 500 must be paid to the piece rate workers.

Surprising increase in exports of national textiles – does development continue?

Dinamalar - October 16, 2017

The textile industrialists are very happy to see an increase in textile exports during the month of September. But according to them, it is not certain if this will continue in the future.

About 14 percent is the share of total textile exports domestically, so the value of textile exports every month is about 10 thousand crore rupees. The major portion of textile exports comes from Coimabto, Tirupur and Erode.

About 1,100 textile mills, comprising small and large mills, are operating in Tamil Nadu. By making use of the yarn produced in the said textile mills, products such as garments, cotton dresses for export, household textile materials, and the cotton meant

for medical treatment are manufactured.

However, the flexibility in prices of cotton and yarn affects the labourers as well as the employers. As a consequence, it the fluctuation also affects textile exports and the total national export income.

It is observed that the gap between the requirements and production is being widened in the past few months. When cotton prices increase, large quantities of yarn are produced and the price of yarn decreases. Hence, most of the textile mills sold their cotton yarn at a price below the cost of production. Furthermore, a large number of textile mills decreased their production.

The GST was introduced in July. In the beginning there was confusion among the exporters due to the variable taxation. Moreover, it was considered that the increased value of Indian currency equal to the dollar in addition to the duty drawbacks were the main reasons for the slowdown in the industry.

As per the expectation of many people, the exports that had increased in the first quarter year decreased in the second quarter year. Garment exports decreased by four percent in the past August. Thus, the national level exports of valued at Rs. 10 thousand crore decreased to Rs. 8,556 crore. This was less than the previous year's August by Rs. 3.91.

The national export amount has increased in September by 25.67 percent. While comparing this to the previous September, it increased by 21.39 percent. That is, the value of exports in the previous September which amounted to Rs. 1,51, 950 crore has increased to Rs. 1,84 387 crore this September.

Regarding the textile industry, exports increased in cotton dresses, synthetic yarn dresses, and garments. Notably, the export of garments has increased by 25 percent. The export value of cotton dresses was Rs. 5,315 crore in the previous September and now it has increased by 11.23 percent, resulting in a value of Rs. 5,911 crore. Similarly, the export value of synthetic yarn dresses in the last year was Rs, 2487 crore and at present, it has increased by 20.49 percent to the value of Rs. 2,996 crore. The export value of garments in the previous September was Rs. 8570 crore and is currently Rs. 10, 707 crore. This is an increase of 25.93 percent.

Regarding the increase, Prabhu Damodaran, Secretary of the Indian Texpreneurs' Federation said:

"The total export of our products increased by 26 percent last September. Similarly, the import too has been increased by 18 percent. We are all happy to see this in the textile industry. But we will have to think about whether this development will continue in the future. Concerning the cotton dress industry, we believe that the development will continue in October too. Likewise, the export value of synthetic yarn has reached about Rs. 3,000 crore.

“After continuous disappointment over the last two months, the news of an export increase in garments is really good. But we should not consider this as a permanent trend. The reason is that the tax concession (duty drawback) will expire in September. This development may result in losses. At the same time, there is doubt as to whether we can complete all our orders within a short period. These factors put textile exports in confusion.

“The domestic sales during Diwali were really fantastic and many of the stock sold out. However, the yarn and cloth decreased by a lot since sales during the Diwali were so high. Based on this experience, there will be better preparation for next year’s Diwali festival.

“The speed of this process builds strong confidence and will encourage the textile industrialists. This makes us believe that both the local and export markets will improve.”

Do not reduce the drawback percentage – TEAMA wrote a letter Daliy Thanthi - October 17, 2017

Tirupur: Muthurathinam, President of TEAMA, has written a letter to the Prime Minister of India.

Below are the contents of the letter:

“Both textile production and business dealings are regarded as important industries in India next to the agriculture. Regarding the export business of India, we are behind other countries. The export of China is 33.4 percent, Bangladesh 7.6 percent, Cambodia 7.6 percent but India’s share is only 3.8 percent. Small countries export their produce at a rate of two times more than India... China and many other countries receive concessions for their exports. However, in the case of India there are no such concessions.

“The government must make more effort to promote the garment industry. A monitoring committee must be appointed to find out the requirements. Notably, a special inspection committee and special intensive care committee must be appointed. The drawback, known as the increment, is the main requirement for businesses. Only after the provision of this concession does export business begin to develop. But this 2.5 percent concession was provided only after many changes. The practice has severely affected the export businesses and many companies are facing closure. Even some industrialists are on the verge of committing suicide. That said, in no way must the drawback ratio must be reduced. An immediate step must be taken in this regard.”

TEAMA makes a demand to the government to take steps to prevent suicide Dinamalar - October 17, 2017

Tirupur: TEAMA has made an appeal to the government to prevent suicides due to failure of debtors to make loan repayments.

Muthurathinam, TEAMA's President, said, "The hiked prices of raw materials, shortage of labourers, and high interest rates on bank loans are the main reasons for the loss in export business. Owners who are unable to carry on their business commit suicide. It is regretful to note that both the central and state governments fail to take necessary steps to prevent this occurrence. Bankers take severe steps to collect the loans. When the agriculture industry is affected, the agricultural loans are cancelled. Likewise, government must take steps to cancel the same on behalf of the exporters. The affected exporters must be reviewed in order to arrange necessary counselling for them.

Heavy competition among the industrialists – to draw the attention of skilled labourers

Daily Thanthi - October 23, 2017

Tirupur: A large number of garment companies are operating in and around Tirupur. About 6 lakhs of workers from states and districts outside Tamil Nadu are employed in them. These workers benefit from both residential accommodation and hostel facilities provided by their companies. The Deepavali festival was celebrated on the 18th of this month. On the eve of the festival, the labourers along with their families returned to their native places.

It was expected that about 50 percent of companies would operate from Monday onward. However, the workers from the North took long absences so it will take more time to resume operations in many companies. The shortage of labourers will naturally occur. Workers may also go to another company in search of better wages. By making use of this situation, the industrialists will make efforts to appoint skilled labourers in their companies."

Some labourers have said that many of the workers who have gone to their native places on the eve of the Deepavali festival do not return to the companies for work. They return home and work elsewhere.

As a result, there will be a shortage of workers in the companies and production will be affected. The industrialists are making efforts to appoint skilled labourers from other companies by paying better wages. The competition among the industrialists is seen here and there.

Refusal to place orders at job-work companies unregistered in GST, one lakh workers affected

Dinakaran - October 26, 2017

Tirupur: It is because of the use of modern machinery in garment companies and the

implement of GST that has resulted in the non-receipt of orders. As a result, about 30 percent of job work companies have closed.

About eight lakhs of workers are employed in thousands of garment companies in and around Tirupur. As per the order of the central government, all of these companies must be registered under the GST. The large garment companies import the automatic CNC modern machinery valuable for multi-crore rupees.

A few garment companies provide machinery to skilled labourers and place orders on the basis of job work. All of these companies are advised to register the job-work employees under the GST. Also, the big companies must register names of companies to which they outsource orders. The job work companies are already facing severe problems such as rent increases, electricity charges, wages, and the maintenance of machinery. Due to this, many job-work companies closed down.

Kathiravan, the owner of a job-work company said, "I have been supplying finished garments on receipt of orders from the big companies for the past 10 years on the basis of the piece rate method. The big companies pay the wages in accordance with the nature of the job. Under the new conditions, they must register their names. Because of the GST, we have to submit returns every month for which we have to pay more wages to the computer operators. I am in receipt of orders for lower rates and supply the finished garments amidst heavy competition. I have to manage the loss due to the GST. That is why I have told the workers going to their native places to celebrate Deepavali to return only if summoned. Likewise, many owners have given long leave to the workers. Therefore, more than one lakh workers have become unemployed. In order to provide job opportunities to all the workers, a complete exemption of GST must be given to the job-work companies by the central government.

Textile industry welcomes increase in import duty

The Hindu - October 30, 2017

Coimbatore: The textile industry here has welcomed the increase in import duty on polyester fabric.



Link

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/textile-industry-welcomes-increase-in-import-duty/article19946930.ece>

According to Southern India Mills' Association chairman P. Nataraj, after introduction of GST, polyester fabric attracted 10 % basic customs duty and 5 % IGST. The drop in import duty was a threat to the domestic industry.

The government has announced increase in basic customs duty to 20 % with effect from October 27. Mr. Nataraj said man-made fibre was expensive in the country by 20 % to 30 % due to high incidence of duties and levies and there was a threat of cheaper imports of MMF fabric from China. The increase in Basic Customs Duty would reduce imports.

The Confederation of Indian Textile Industry chairman Sanjay Jain said, in a press release, that this announcement was a relief to the textile industry. It would increase foreign direct investment in the fabric segment.

The man-made fibre-based fabric was one of the weakest links of the textile value chain in the country and required huge investment to increase the industry's share in the MMF category. However, imports from Bangladesh and Sri Lanka were still exempted because of Free Trade Agreements and Chinese fabric could come in through these as garments. He also urged the government to resolve at the earliest the issue of non-refund of GST inputs on fabrics.

Dyeing Issues

Noyyal filled with the effluent water the agriculturalists are much worried Dinamani - October 2, 2017

Tirupur: After six years of suffering faced by the agriculturalists due to heavy drought, exhaustion of water in bore wells and the shortage of drinking water, a favourable relief was seen in the flooding of the Noyyal River. However, no one seems to have expected that such damage would have been caused by the industries in Tirupur.

In the beginning of this month a heavy flood occurred in the Noyyal River, which caused the lakes meant for the water storage to fill with rainwater. The Noyyal River water appeared colourful – a sign that it was mixed with the effluent water discharged from the dyeing factories. That polluted river water also mixed with the water in the ponds and lakes. This pollution was the result of the activities of dyeing factories that carelessly discharge effluent water without proper treatment. Both the public and the agriculturists, the latter of which rely on a clean water supply to feed their animals and irrigate their crops, are worried about the pollution and have lodged complaints against the dying factories.

It has been confirmed that the river water running from the Noyyal River to the lake of Manikkapuram (near Mudalipalayam) was mixed with effluent water discharged from the public effluent water centres. As a result, about 23 dyeing factories were forced to terminate their operations. This sudden action was a shock to dyeing factory owners who had been denying charges of pollution made against them.

The agriculturists repeatedly visited the district administration and the Pollution Control Board. This action forced the authorities to take necessary action against those who were responsible for polluting the water.

The observance of white foam in the Noyyal River caused the locals to alert the police. The issue received significant media attention in print and social media and their was harsh criticism from the public due to the pollution of the river. The Honourable Minister for the Environmental, K. Karuppan, who came to carry out an inspection on the basis of information given by the officials, said that the foam was nothing more than soap water that had been discharged in the river at Coimbatore. This was a great disappointment to the farmers and the public. The affected agriculturists and interested organisations sought legal redress. As per the judgement released in January 2011, all the dyeing factories on the banks of the Noyyal River were closed.

Many complaints were made against owners of dyeing factories so they are planning to take up the issue. V.P. Muthusamy, President of Agriculturists Progressive Union said, "The Noyyal River water is polluted by effluent water from the dyeing factories. We feel sorry to know that we are unable to make use of the water after a long period of water scarcity. Whenever we make complaints, [the authorities] say that the pollution was due to washing clothes with soap and such other things. The clothes are being washed in all the villages. The soap water is mixed with the river water. Where does the river flow? At present, the salt content is 3,500 TDS in the Noyyal River... Again, the sewage water in residential areas and other waste contents are also mixed with the river water. "The present condition will continue no more. A solution must be found... As per the judgement issued by the Supreme Court, no dyeing factory must be established within five kilometres of the Noyyal River area. The mixing of sewage water and drainage water with the river water must be prevented by the corporation and village panchayats."

In response, an official said, "The reason for the occurrence of foam in the river water is due to the washing of clothes. Likewise, the rainfall that took place two days ago in Bangalore was also foamy. There is no dyeing factory there so foam is not related to effluents. Anyhow, we cannot avoid the complaints being made. A monitoring committee has been formed and they are inspecting and investigating every effluent water treatment centre. The inspection will come to an end at the earliest. If any fault in the effluent discharge process is found, then the necessary action will be taken.

Ilankumaran, an engineer at the Pollution Control Board said, "The agriculturists must come forward to say where and how the effluent water was discharged into the river

instead of making complaints. There are small units operating on the riverside without permission and discharging effluent water into the river. So far we have taken action against 104 such units.”

The expectation of social activists is that the government must take necessary steps not to sacrifice the environment while promoting business to achieve the aim of earning of one lakh crore rupees in foreign exchange.

Trade bodies, NGOS begin Rs. 30 lakh clean-up drive at the Noyyal
The New Indian Express - October 06, 2017

Tirupur: With increasing complaints about industrial effluent polluting the Noyyal River, trade associations of Tirupur, mostly from the knitwear industry and non-governmental organisations have come together to clean the river. A 9 km stretch of the Noyyal, from Anaipalayam Road Bridge to Kasipalayam, will be cleaned by these organisations. The Rs. 30 lakh fortnight-long drive was inaugurated by Animal Husbandry Minister, Udumalai K Radhakrishnan, on Wednesday.

Members of all industrial associations will bear the expenditure collectively. The Tirupur Exporters' Association (TEA) will be taking the lead role in the work, which also has the district administration's support. It is aimed at removing debris, plastic waste and bushes from the river as these are blocking its proper flow and its water-holding capacity.

“Our earlier plan was to complete the work in a month, but now we are using eight earthmovers. This will enable us to do it in a fortnight,” said TEA President, Raja M Shanmugam.

Industrial bodies including TEA, NITMA, SIHMA and Tirupur Builders Association and NGOs like Jeevanathi Noyyal, Amaippu and Vetri are participating in the clean-up drive. Dyers Association of Tirupur president, S. Nagaraian, said, “We are taking up the drive to save the river. We have implemented zero-liquid discharge in all our member units. We are also committed to keeping water bodies free of pollution in our district”.

Noyyal's tryst with dyeing effluents continues
The New Indian Express - October 16, 2017

Tirupur: Though the district administration and activists are doing their bit to save the Noyyal River, industries continue to release untreated effluent into the river.

Recently, the Tirupur district administration joined hands with non-profit organisations and industrial bodies and cleaned the river for about an 8 km stretch. On Friday, Mandhiri canal, a small supporting channel of the Noyyal that runs from PN Road through Union Mill Road, had red-coloured water. This shocked the people living in the surrounding area. Again on Saturday the water in the canal appeared red in Sheriff Colony.

According to the Tirupur Dyers Association President, S. Nagarajan, "Since it is a prime location, there is no dyeing unit in that area. Possibilities are that some units that are involved in dyeing buttons and zips might have let out the effluents. For such units, there is no factory set-up needed. It is done in houses just using 30 to 40 litres of water, which after colouring, they would have let into the river. This is also unacceptable and we have requested officials to take action against such units."

The Pollution Control Board officials also reflected a similar view. According to the officials, "If it is a factory, we can walk in with our credentials to conduct checks. But how can we do this if such things are happening in households. People should think before renting out houses to such household units where a small 10x10 room is sufficient to dye buttons and zip locks just because such units offer higher rents. We are planning to request the district administration and corporation to help us to identify such units and to take strict action against them."

TNPCB revokes closure order on 23 dyeing units

The Hindu - October 16, 2017

Tirupur: The Tamil Nadu Pollution Control Board (TNPCB) has revoked the closure orders issued on 23 dyeing units attached to Eastern Common Effluent Treatment Plant (CETP) last month following indiscriminate discharge of untreated effluents into Manickapuramputhur irrigation tank.

The issue of discharge of untreated effluents came to light after people in the locality complained about raw effluents getting discharged into the irrigation tank through a feeder canal.



Link

<http://www.thehindu.com/news/cities/Coimbatore/tnpcb-revokes-closure-order-on-23-dyeing-units/article19869578.ece>

Subsequently, the units were sealed by the TNPCB officials on September 12 as prima facie inquiry itself revealed that there was a leak in one of the pipelines that took the effluents from member dyeing units to the Eastern CETP.

It should be noted that Madras High Court had ordered the dyeing units in Tirupur knitwear cluster to comply with zero liquid discharge norms in effluent treatment process.

TNPCB District Environmental Engineer K. Elankumaran told *The Hindu* that the effluents got discharged into the water body following an accidental break of one of the pipelines which took the effluents to the CETP.

“The damaged pipeline has now been replaced under the supervision of our officials. Since its operation effectiveness is satisfactory, the closure orders were revoked,” he said.



Bonus

Bonus payment in the bank accounts of workers, decision by the garment manufacturers

Dinamalar - October 2, 2017

Tirupur: Garment manufacturers have decided to pay bonuses into the workers' bank accounts by means of digital transaction.

About five lakhs of workers are employed in garment manufacturing companies and associated companies in Tirupur. Companies make direct wage payments on the weekend, notably on Saturday.

On account of demonization, digital money transactions have been implemented by the central government. Many changes have been made in the industrial sector. Accounts for workers were opened in the banks to deposit their salaries.

Deepavali bonus was paid to the workers in person. However, some male workers waste their money, especially for liquor consumption. To make sure that the bonuses are used for a good purpose, the central government implemented the use of digital transactions. The industrialists have decided to pay the bonus amount to the workers from current year in such manner.

Raja M. Shanmugam, President of the Tirupur Exporters' Association, said, "To follow the rules and regulations of the government and in consideration of workers' welfare, the payments of Deepavali bonus is now made via bank account transaction. From the October 9, the Deepavali bonus will be paid stage by stage. Since the amount is paid into the workers' bank accounts, they can make use of the money to fulfil their financial expenditure on essential requirements. The wastage of money will be avoided and the safety of money will be maintained."

Tirupur workers yet to get bonus

The Hindu - October 7, 2017

Tirupur: Though Deepavali is near, lack of clarity in fixing bonus amount, and its disbursement have affected a large number of workers in Tirupur knitwear cluster. The workers and the trade unions feel that the tendency of paying the bonus at the 11th hour, practised by majority of the units for the last many years, should be changed at least this time. Most of the units were not announcing the bonus amount in advance.

"Unless the bonus is disbursed in advance, the predominant migrant workers in the cluster cannot do festival shopping and reach their native towns on time," said C. Moorthy, president of CITU-affiliated Baniyan General Workers Union. He criticised the move to disburse bonus through banks.

"We want the companies to pay bonus in cash. The last minute depositing of the amount in bank accounts will deprive the worker to question inadequacies, if any," said Mr. Moorthy.

Tirupur Exporters Association president, Raja Shanmugam, however, was of the opinion that payments in cash would create difficulties to the industrial units when it comes to accounting at the end of the financial year. He said the business units could take a decision on bonus rates based on their respective financial positions.

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<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/tirupur-workers-yet-to-get-bonus/article19816243.ece>

Minimum bonus should be 20 p.c. of annual salary: trade unions -
'Migrant labourers mostly unaware of their rights about bonus entitlement'

The Hindu - October 9, 2017

The minimum bonus scale should be 20 per cent of the annual salary and the workers employed on piece-rate wages as well as on contract too should be compulsorily given the bonus. These are the main points being raised by the trade unions in connection with the Deepavali bonus disbursement in Tirupur knitwear cluster.

Centre of Indian Trade Unions State Secretary M. Chandran pointed out that the rules stipulate clearly that workers employed on piece-rate wages and those working on contract were also eligible for bonus on a par with other employees.

"A minimum 20 per cent bonus can be easily given considering the claims made by knitwear sector industrialists that the exports and domestic sales had gone up steadily during the past few financial years and now have aims to touch Rs. 1,00,000 crore overall turnover from the cluster by 2020.

"Unfortunately, a large section of industrialists highlight issues of financial constraints only when the time comes for disbursement of bonus. It tells that many unit owners were not much concerned about the welfare of their workers", he said.

Trade union leaders pointed out that the migrant labourers coming from West Bengal, Odisha and a few North-East States, constituting a large chunk of the workforce now, were mostly unaware of their rights about the festival bonus entitlement.

Awareness programmes

Hence, the representatives of trade unions have started awareness programmes to tell the workers that the problems pertaining to bonus disbursement could be brought to the notice of the labour unions. Such moves would be helpful to initiate talks with the respective unit owners for an amicable settlement, the trade union leaders said.

Labour Issues

India disputes ILO's slavery report

The Hindu - October 6, 2017

New Delhi: The government has written to the International Labour Organisation (ILO)

challenging a recent study on “modern slavery” conducted by the Australia-based Walk Free Foundation (WFF) on behalf of the global body. The report does not mention India.

The Labour Ministry shot off a strong letter to the ILO regarding its report titled ‘Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2017.’ The report, released on September 19, does not contain any India-specific findings, barring a mention that 17,000 people were interviewed for the survey.

The letter follows a missive from the Intelligence Bureau (IB) to the government about documentation by multiple international organisations on slavery in India that can hurt India’s image and exports.

In a letter to the Prime Minister’s Office and Labour Ministry, the IB mentioned the following reports — the 2016 United Nations Special Rapporteur Report on contemporary forms of slavery, including its causes and consequences, the 2015 ILO Committee of Experts on the Application of Conventions and Recommendations on Forced Labour, the 2016 Global Slavery Index 2016 and ILO-WFF joint report of 2017.

Authenticity doubted

Union Labour Secretary M. Sathiyavathy wrote a letter to ILO Director General Guy Ryder on Thursday doubting the authenticity of the survey. The letter accessed by stated that “neither the Central government was consulted before the study nor its credibility has been established.” “We would like to know the basis on which the data has been verified for credibility when apparently it has been neither verified with any official data source including that of ILO nor any national governments have been consulted regarding the survey methodology,” the letter dated October 4 said.

Although country-wise figures were not mentioned in the 2017 ILO-WFF report, the study said 40.3 million people were victims of ‘modern slavery’ in 2016.

In a letter to the PMO, the IB had warned that there was “evidence of rising interest of private and multilateral institutions in highlighting human trafficking and forced labour as modern day slavery, with India being the largest hub of slaves.”

Link

<http://www.thehindu.com/news/national/india-disputes-ilos-slavery-report/article19803909.ece>

“Various estimates of slavery have been made by ILO and WFF since 2012. WFF has continuously kept India at first place, with 18 million slaves in 2016. WFF was created in 2012 by Australian mining tycoon, Andrew Forrest and was formally endorsed by Hillary Clinton, Tony Blair and Bill Gates. A detailed study of WFF’s methodology of sampling revealed that the focus is entirely on India. The largest sample (17,000 respondents) surveyed in 2017, was in India. The next highest sample was only 2,000 for Russia, Pakistan, etc.,” the IB report said.

Even as the Labour Ministry has countered the ILO-WFF report, the Central government is exploring a rebuttal at an international level through consultations with the Ministry of External Affairs and other departments, sources said. At the same time, the government is also planning to conduct its own surveys on bonded labour in a bid to counter various estimates by private agencies.

“Although there have been discussions so far, the ILO has not defined ‘modern slavery’ in its conventions. We define bonded labour in our law in compliance with ILO standards. India doesn’t recognise the term ‘modern slavery’,” a senior Labour Ministry official said.

Asked why a letter was sent on a report which does not directly mention India, a senior government official said, “The ILO-WFF report of 2017 has avoided mentioning specific countries because of aggressive reactions. As per our assessment, out of 40 million slaves mentioned in the report, around 14-18 million are said to be in India.”



Increment of wages as per the amount – a letter from the power table union Dinamalar - October 22, 2017

Tirupur: The power table union has written a letter to the South India Banian Manufacturers Association (SIMA) asking for an increment of 7 percent from November 1 onward.

Basically, the power table companies manufacture the banians to meet the requirements of the local market. Both small and large-scale companies, numbering about 2,000 power table companies, are operating.

SIMA and the power table owners association decided the power table changes through negotiation talks. An agreement between the two sections was signed in June 2016. Accordingly, an increment of 16 percent in the first year and 7 percent per year for the subsequent three years must be given to the power table companies. In total, it would amount to 37 percent. As per agreement signed, after a period of one year the garment companies must give the increment of 7 percent to the power table companies. The 7 percent increment comes into effect from November 1 onward.

Murugan, Assistant Secretary of the power table company union said, "According to the agreement made, the domestic garment manufacturers must give an increment of 7 percent to the power table companies from the November 1 onward. Because of the industrial crisis it is very important that the increment is given without delay. To remind SIMA of their obligation under the agreement, we have sent them a letter."

Ponnusamy, General Secretary of SIMA said, "The power table owners association has written a letter regarding the 7 percent increment to the member companies of SIMA. All these details will be sent to them so as to enable them to get the increment."

Trade Union

CITU members held for rally demanding bonus The New Indian Express - October 06, 2017

Tirupur: Nearly 300 members of the Centre of Indian Trade Unions (CITU), including women and several leaders, rallied on Thursday. They demanded a bonus for workers in knitting, dyeing, tailoring, other ancillary industries, and also for those in hotels and bakeries. The rally, which started in front of Kumaran memorial, took the course through Uthukuli Road, TMF Bridge and Bridgeway Colony, ending at Tirupur Exporters' Association (TEA) office. According to the leaders of the CITU, festival bonus is for permanent employees while contract workers are employed on piece rate. The union also urged the industrialists to increase last year's bonus and disburse the same before Monday. The union urged all the workers who were not given a reasonable bonus, to approach them and register their grievances.



SAVE

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