



# SAVE

## News Letter

VOLUME 9 ISSUE 12 DECEMBER—2017

### SPECIAL POINTS OF INTEREST:

- ⇒ Garments
- ⇒ Migrants
- ⇒ Dyeing
- ⇒ Skill  
Training
- ⇒ ESI / PF
- ⇒ Dyeing
- ⇒ Wage
- ⇒ Internal  
Complaints  
Committee (ICC)

### 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 laborers 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 IS PUBLISHED BY SOCIAL AWARENESS AND VOLUNTARY EDU- CATION (SAVE)

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# Garments



## **Demands to provide complete tax exemption to job work companies - SIHMA to central government**

**Dinamani - December 6, 2017**

Tirupur: The South India Hosiery Manufacturers Association (SIHMA) has made a demand for a complete tax exemption to be given to job work companies in the garment industry.

Related to this, A.C. Eswaran, the president of SIHMA said: It is understood that the central government considered that the GST taxation charge and the simplification of taxation is for the welfare of merchants. On account of this, the job work company owners are happy. The central government's GST committee has decided to appoint a sub-committee comprising the various representatives of different companies. The members of the sub-committee will consider the draft subjects in order to provide compensation to the companies operated by labourers. By taking into consideration these conditions, a complete tax exemption must be given to the job work companies such as checking, ironing, kaja button and packing. A petition regarding this has been sent to the Honourable Central Finance Minister, Arun Jaitley.

## **Tirupur banian workers without basic facilities**

**Dinakaran - December 15, 2017**

Tirupur: Despite sales in Tirupur garments amounting to about Rs. 45,000 crore per year, the workers employed in the garment industry still continue to live without basic necessities.

Garment companies in Tirupur are responsible for nearly 90 percent of the Indian garment exports business. The increase earned in Tirupur through the export of garments is valued as a quarter of the total increase earned by exports at national level. About 8,000 big, small and mini garment companies operate in Tirupur, where lakhs of workers are employed. The corporate garment companies export their products primarily to North America and Europe.

Since modern technology was introduced throughout garment manufacturing processes, export companies have hired less workers, including skilled workers, in various stages of production that have become more mechanised. A contract method of hiring workers has also been introduced and implemented in the manufacturing

areas such as dyeing, ironing or tailoring. Workers' shifts extend beyond eight hours and workers have been known to complete 12 and 16 hour shifts per day, sometimes without a break.

The houses in the residential colonies where workers live are insufficient for the number of workers employed. As a result, there is a housing shortage. Moreover, rents are too high and workers are forced to pay high rates for houses that lack toilet facilities. The cost of living in Tirupur is also relatively high in comparison to the surrounding rural areas from which the workers are drawn.

As there is no ESI hospital, workers visit doctors in private hospitals and thus spend more money for treatment. Workers also have no social security and if made redundant, they will have to borrow money from moneylenders at high interest rates to cover daily expenses. Therefore, facilities such as the provision of salary increments, low house rent, and an ESI hospital with sufficient beds must be arranged for workers in support with trade unions.

## **Apparel Export Promotion Council asks government to reduce GST rates**

**The Indian Express - December 19, 2017**

New Delhi: The Apparel Export Promotion Council (AEPC) on Monday urged Textile Minister, Smriti Irani, and Commerce and Industry Minister, Suresh Prabhu, to reduce the new rates fixed under the GST regime.

Speaking at an event organised by the AEPC here on Monday, AEPC chairman, Ashok Rajani, said that exporters are not getting incentives under remission of state levels (ROSL). Earlier, the industry used to receive ROSL of 11.30 percent but now it has come down to 6.5 percent.

Exporters are also facing a crisis in shipping their products abroad, especially in the European Union (EU). The EU levies a 12 percent duty on Indian cotton while Bangladeshi and Vietnamese cotton are exempt from any duties.

Responding to the concern faced by the sector, Amitabh Kant, CEO of NITI Aayog, said that, "It's high time to reduce import duties and customs on raw material". New rates under the GST are 5 percent, 12 percent and 18 percent on textile related products. This earlier attracted no duties. Kant also urged the ministers to come up with new GST rates for fibres in order to support the sector, as it is one of the largest providers of employment.

The ministers, however, said there are legacy issues with the textile ministry.

"We are working on solving all the issues prevailing in the industry," said Irani, adding that the ministry would work on every plight of the sector.

Prabhu said the government was working on finding new markets for the domestically produced cotton.

## **Textile industry welcomes skill development scheme**

**The Hindu - December 24, 2017**

Coimbatore: The Southern India Mills' Association has welcomed the announcement of a comprehensive scheme by the Central Government to build the capacity of the workers in textile sector.

P. Nataraj, chairman of the association, has said in a press release that this scheme, with an outlay of Rs. 1,300 crore, will help improve productivity of workers in the textile sector. The Union Government has allocated Rs. 272 crore under the 11th Five Year Plan for integrated skill development and Rs. 1,900 crore in the 12th plan. About 11 lakh workers benefited from these.

The industry has been seeking a special scheme not only to train new workers but also to upgrade the skills of supervisors, executives, managers, and entrepreneurs. India lags behind in productivity compared to countries such as China, Bangladesh, and Vietnam.

The new scheme will enable the industry to cut costs and improve quality, he said.



<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/textile-industry-welcomes-skill-development-scheme/article22269583.ece>

### **Industrialists expect new business policy to be released on the 5<sup>th</sup>**

**Daily Thanthi - December 27, 2017**

Tirupur: A large number of industries are operating in the garment city of Tirupur. The garments are manufactured and exported to many countries. Lakhs of workers are employed in these industries. The garments have a value of many crores of rupees, and are being exported from Tirupur every day. In this context, the central government has implemented a uniform tax policy known as the GST. As a result of the GST, the prices of raw materials increased. This caused industrialists to raise a demand before the central government to reduce the tax value. Furthermore,

concessions including the duty drawback decreased. Hence, industrialists have been demanding that the central government reinstate the concession to its pre-GST level.

Regarding this, the industrialists said: The central government implemented the GST last July. As a result of the GST's implementation, various concessions to industrialists decreased. To manage the new conditions, Nirmala Sitharaman, the Central Additional Minister at that time, said that some reforms would be made in the foreign business policy of 2015-2020. However, in the meantime, Honourable Minister Suresh Prabhu made some reforms in the business policy. The reformed business policy will be released on the 5<sup>th</sup>. After the implementation of the GST, the concession known as the duty drawback decreased so we expect new concessions in the reformed business policy. The announcement will affect many changes in the garment industry. Moreover, it will be useful to promote the export business. Hence we are expecting the release of a new business policy.

### **Demanding to pay equal wages for equal work**

**The Hindu (Tamil) - December 27, 2017**

Coimbatore: The executive committee meeting of the Coimbatore district textile workers' union (HMS) was conducted under the head of the president T.S. Rajamani. Officials attending the meeting included Subramaniyan along with Subbaiyan, the treasurer, and other executive numbers.

All the textile mill workers must be paid equal wages for equal work. The electric tariff for spinning mills in Andhra state is Rs. 4.10 and Rs. 3.80 in Telangana. However, in Tamil Nadu Rs. 7.30 is collected. Due to this higher rate in Tamil Nadu, more than 2,000 textile mills and lakhs of labourers are severely affected. The union is demanding that the electricity tariff be decreased. It was also noted by resolution in the meeting that 50 percent of wages earned by the labourers must be paid into the Provident Fund.

### **Fourth phase of drinking water scheme to quench thirst – co-ordination of industrialists**

**Dinamalar - December 28, 2017**

Tirupur: A joint venture of industrialists along with various sections of society planned to implement the fourth phase of the drinking water scheme in Tirupur.

The total population of Tirupur is about 10 lakhs and 20,000 persons. During the three phases of the drinking water scheme, residents gained about 112 MLTs of water. It is expected that in the year 2050, the same population will increase up to 19.50 lakhs. Based on this estimation, it is presumed that the water requirement will be 263.25 MLTs.

The corporation has decided to implement the fourth phase of the drinking water scheme in order to mitigate the shortage of water. The value of the fourth phase is Rs. 834 crore and a share of 50 percent will be borne by the central government. The state government will provide 20 percent of the monies and the Asian Development Bank will loan the remaining 30 percent.

In March, a water refinement centre will be established in Ottarpalayam, Annur. Also, it was decided to collect an amount of Rs. 3 crore as the people's share for the procurement of the land.

On this subject, a meeting of industrialists was conducted in the auditorium of the South India Hosiery Manufacturers Association (SIHMA) and was presided over by Sakthivel, the former president of the Tirupur Exporters' Association (TEA). Also in attendance were Ponnusami, the general secretary of SIHMA, in addition to M.L.A. Gunasekaran and Vijayakumar. Asokan, the commissioner of the corporation, explained the fourth phase of the drinking water scheme and the importance of the industrialists' participation. Raja Shanmugam, the president of TEA, Vijayakumar, the general secretary, Chandran of Eastman Exports, Vivekandan, the president of SIMCA, Srikanth, the president of SIMA, Ramasami, consultant on the Industrial Protection Committee, Nagarajan, the president of the Dyeing Factories Association and Babuji, the general secretary of SISMA, Annadurai the co-ordinator of the Industrial Relation Committee, as well as representatives from various associations also participated in the event.

A committee comprised of various industrialists under Sakthivel was established for the fourth phase of the scheme. Representatives from each association pledged financial contributions on behalf of their associations. In total, Rs. 50 lakhs was pledged.

An invitation was extended to the Industrial Organisation and Business Association for their participation in the scheme's fourth phase.

During the meeting, Annadurai stated, "The garment industry has been impacted in recent times. Nearly 13 entrepreneurs committed suicide in the past eight months. The people's representative must take interest in industrial protection just as in the fourth phase of the drinking water scheme."

### **Apartments must be provided to labourers who do not have their own homes – demand by trade unionists**

**Daily Thanthi - December 28, 2017**

Tirupur: A large number of garment companies are operating in the industrial city of Tirupur. Lakhs of workers belonging both to states outside of Tamil Nadu as well as districts in Tamil Nadu but outside of Tirupur, reside and work in Tirupur. A few companies have provided the workers with food, accommodation and transportation. However, several workers are living in rented accommodation and a major portion of their income is allocated for rent. These workers are subjected to problems in meeting their other living expenses when so much of their earnings are tied up in rent payments. The demand by trade unionists is that apartments must be provided to the workers in order to help ease the workers' financial burden.

Trade unionists have stated that because of the employment opportunities available in Tirupur, people are arriving every day in search of work. However, many garment companies do not provide the new arrivals with accommodation so workers rent privately. These workers receive their wages on the weekend and a significant portion of their income is spent on rent. The central government earns an amount of Rs. 36 crore and above in foreign exchange. The main reason for the high revenue is down to the hard work rendered by labourers. Bearing this in mind, the central and state governments should allocate a special fund for the construction of apartments for the labourers.

## Migrants



### **Necessary action will be taken against workers without identity cards, warning by police commissioner**

**Dinakaran - December 5, 2017**

Tirupur: The corporation police department has asked garment companies to provide detailed information on migrant workers from other states. Accordingly, a form prescribed for that purpose must be filled out with the required particulars and submitted at the SIHMA office.

A.C. Eswaran, the president of SIHMA, has released a circular stating, “More than three lakhs of workers are employed in various sectors (garments, hotels, bakeries, goods’ transport, construction, etc) in Tirupur and its surrounding areas. Particularly, workers have migrated from Madhya Pradesh, Uttar Pradesh, West Bengal, Bihar and Odisha. However, without being able to adequately check workers’ backgrounds, there are some unscrupulous individuals that have seeped in among the migrant workers. To protect the law in Tirupur, it is advised that companies fill out and submit the forms. Completed forms will be forwarded to the police station. The police commissioner has released a circular stating that the necessary action will be taken against workers found without identity cards.”

### **Children tortured with hot rod – searching for couple in Tirupur**

**Dinamalar - December 20, 2017**

Tirupur: Two children from Odisha state were rescued after reports that they had been tortured with a hot rod.

The children’s’ parents migrated from Odisha and resided in K. Chettypalayam, Dharapuram Road, Tirupur. The parents would physically abuse the children and a neighbour hearing the alarms raised by the children rescued them.

The victims were a boy aged four years and a girl aged two and a half years. Both suffered from wounds inflicted by a hot rod. When the couple was warned that a police complaint would be made against them, they ran away and abandoned the two children. The whereabouts of the parents remain unknown.

After receiving the required medical treatment, the children were admitted at the home in Anuparpalayam.

### **Police are busy collecting the details of northern state workers**

**Dinakaran - December 24, 2017**

Tirupur: The Tirupur corporation police are busily collecting the details of northern state labourers in order to identify any criminal activities.

Since the dawn of industrial development in Tirupur, the shortage of workers has been a common feature. There is an estimated shortage of 30 percent.

Given the labour shortage, garment companies are ready to provide employment to the workers arriving in Tirupur. Workers arrive predominantly from northern states like Bihar, Uttar Pradesh, Chhattisgarh, Assam,

Odisha, West Bengal and Rajasthan. About 20 trains from places such as Patna, Delhi and Mumbai are coming to Tirupur every day. About 30 trains per week are filled with potential workers.

The garment companies in Tirupur are a safe place for criminals from northern states because they can live undetected while earning an income. Criminal activities are increasing in Tirupur parallel to increases in both industrial development and population increase. To curb the increase in crime and also to identify criminals, the corporation police have advised company administration to provide the details of their workers.

Over the last month, the police commissioner, Nagarajan, invited the proprietors of various companies to discuss this issue. He informed the proprietors that they would have to assist in identifying the criminals. In doing so, he asked the proprietors to collect the workers' photographs, their permanent and temporary addresses, in addition to their contact numbers and produce the same at the police station at the earliest. The proprietors sent a circular in this regard informing their counterparts and employers' associations of the need to collect the required information.

### **Fever resulted in death of northern state labourer**

**Dinakaran - December 24, 2017**

Coimbatore: A labourer, Ganesh, aged 27 years from Odisha came to Coimbatore on the 19<sup>th</sup> and was employed in a private company. He fell seriously ill with a fever and was admitted at the Coimbatore government hospital on the 20<sup>th</sup>. The treatment that he received failed, and as a result he died. In the absence of relatives, the company administration did not want to take his body. His body was then given to the Coimbatore Medical College for research purposes.

### **Bihar youth was severely beaten for causing mischief with young woman – video went viral**

**Dinakaran - December 28, 2017**

Tirupur: A Bihar youth, aged 27 years, involved in a mischievous act with a young woman on the road was caught by the public and severely beaten.

The woman in question, aged 25 years, was the wife of a garment company worker from Pandiyan Nagar, Tirupur. She was returning home after dropping her child at school. The Bihar youth was standing in her way. Suddenly, he caught hold of her and embraced her in an inappropriate manner. The woman tried to run away. When the public realised what had happened, they severely beat the young man. The youth was handed over to Annuparpalayam police station. A video of the beating has since gone viral on social media.

## **Skill Training**

### **Fund allocation for skill development scheme**

**Daily Thanthi - December 25, 2017**

Tirupur: A large number of garment companies operate in and around Tirupur. The garments are manufactured in these companies and exported to foreign countries.



At present, workers from other states are also coming to Tirupur in search of employment. However, to mitigate the shortage of workers in the long run, industrialists have demanded that the central government allocate additional funds for skill development training. In response, the central government has allocated an amount of Rs. 1300 crore for the skill development scheme.

Regarding this, the industrialists have said, “We are very happy to know that the central government has allocated an amount of Rs. 1300 crore. The new workers in the garment companies make mistakes and because of these mistakes we have to face heavy costs to rectify them. Additionally, the cost of production has also increased. In order to develop the skills in the manufacturing process and train the existing workers in technical aspects, the skill development programme is to be conducted. We can provide the training due to the allocation of more funds. By means of this we can develop ourselves in the manufacture of garments and reach our targets at the earliest.”

**ESI / PF**



#### **Compliances with new PF initiatives low in Tirupur**

**The Hindu - December 27, 2017**

Tirupur: Compliance with some of the new provident fund initiatives aimed at incentivising the employers like Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMPRPY) is continuing to be low in Tirupur knitwear cluster, according to Regional Provident Fund Commissioner K. Muthuselvan. “Of the eligible 3,500 eligible textile units (i.e. which have more than 20 employees in its roll), only around 700 units have so far been registered to avail the benefits under PMPRPY even though the scheme was rolled out last year”, he told The Hindu on the sidelines of an interactive programme which the Employees’ Provident Fund Organisation organised with textile unit owners here recently.

The PMPRPY was introduced exclusively for apparel segment on August 9, 2016, with additional features when compared to the other scheme named Pradhan Mantri Rozgar Protashan Yojagana (PMRPY), so as to incentivise the apparel unit owners for generation of fresh employment.

Under PMPRPY, the entire employers’ contribution of 12% in the employees provident fund (EPF) scheme would be borne by the Union Government for a period of 36 months with 8.33% by the Labour Ministry and the remaining by the Textiles Ministry.

In the other scheme (i.e. PMRPY), only the 8.33% portion alone was borne by the Union Government with the rest should be met by the employers.

He said that steps were also being taken to popularise ‘e-sign’ feature designed for employers to register without any cost.

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/compliances-with-new-pf-initiatives-low-in-tirupur/article22283542.ece>

## Dyeing

### **Effluent water and sewage sunken in the earth – agriculturalists regret**

**Dinamalar - December 4, 2107**

Palladam: There are many dyeing factories operating without permission. These dyeing factories discharge effluent water into various places and pollute the environment. To conceal such foul practices, the factory owners have identified new methods.



As per the law, the proprietors of dyeing factories are supposed to discharge effluent water after treatment. However, being motivated by profits, factories illegally discharge water, causing pollution to the water channels. Moreover, the effluent water is discharged into empty wells and bore wells. Thus, the ground water in the panchayat area Karaiputhur, Ganapathipalayam is severely polluted. As a result, lands meant for agricultural purposes have become useless due to groundwater pollution.

An agriculturalist familiar with the situation said, “A few dying factories illegally discharged effluent water without proper treatment and we made several attempts to urge the concerned officers to take the necessary steps against them. Our efforts were fruitless. The groundwater in Kovaiputhur panchayat is badly polluted and the land unfit for cultivation. The excess effluent water, known as ‘sledges’, is being collected in plastic bags, tied and buried in the earth. Since, all of these foul practices are performed within the premises of dyeing factories, they are not brought to light. We are preparing to launch an agitation with agricultural associations and other agriculturalists.”

### **Removing buildings in the Noyyal River – sudden steps by officials**

**Dinamalar - December 16, 2017**

Tirupur: The removal of buildings in the occupied areas of the Noyyal River banks began yesterday.

The Noyyal River flows into Tirupur city for nine kilometres. Occupying the riverside areas are houses, companies and dying factories. The Chennai High Court issued an order to the Collector to remove these structures and to submit a report at the earliest. The Tirupur district administration has been cleaning the Noyyal River as a result. After completion of a survey from Kasipalayam to Maniyakaranpalayam Bridge, the removal of properties along the riverbanks began. Under the leadership of the Sub-Collector, Sharavan Kumar, the officials and employees of the Revenue, Survey and the Public Works departments have been involved in the operation. Of note in the execution of duties were Gopal, Tashildhar of South Taluk, and Sabreeswaran, the Assistant Engineer of the Public Works Department. At the same time, road construction work is being carried out on both sides of the river.

In a space of about one kilometre, there were nearly 16 companies illegally occupying the riverbanks. All of those buildings were demolished and the area cleaned. The people who have houses on the riverbanks must remove their structures at their own expense or face a fine. Nevertheless, about 1,253 homes were identified as having persons living in them for many years. These persons were given tokens so as to enable them to seek alternative housing.

Sharavan Kumar said, “The people living long-term in rented houses will be identified and provided with assistance to find alternative housing. This would be done to minimise the impact of displacement on these occupants.”

### **Steps must be taken by dyeing factories to treat effluent water from the affected wells – demand raised by farmers before the Collector**

**Daily Thanthi - December 30, 2017**

Tirupur: Farmers have demanded the Collector take initiatives to purify the polluted water in the well and bore wells due to pollution by the dyeing factories.

A meeting to find solutions for the farmers’ grievances was held in the Tirupur district Collectorate. The meeting was presided over by Palanisamy, the District Collector. The district revenue officer, Prasanna Ramasamy, also attended the meeting. The farmers submitted their demands as follows:

- All the open wells and bore wells in Tirupur and Palladam must be closed immediately in the presence of the farmers. The water taken away from the open wells and the bore wells must be purified so that it can be used for agricultural activities. Furthermore, the use of coal in the dyeing factories is to be stopped because it pollutes the air.
- On account of the insufficient space in Tirupur corporation, the urban areas of Pongalur, Koduvai, Avinashi Palayam, and such other villages are suitable to start industries. To make this possible, the power supply must be provided for 24 hours.
- About 50 years ago, in accordance with the abolishment of minor land provision in the areas within Alagumalai village, the patta’s were given to the farmers by the Tahsildar. However, at present, farmers are unable to either mortgage or sell the land. The necessary steps must be taken so that farmers can freely use the land.

## **Wages**



### **Banian company workers will go on strike – insistence to pay more salary**

**Daily Thanthi - December 6, 2017**

The contract workers, including female workers, of a garment company in Pichampalayam, Tirupur will go on strike in order to lobby for increased wages.

An export company operating in Lakshmi Nagar, Pichampalayam, employs 400 contract workers. Each of them is paid an amount of Rs. 380 per shift.

During the agitation, the police from Anupparpalayam station rushed to the company to investigate.

Regarding the agitation, the labourers said, “When we joined the company, the management collected our Aadhar cards. Wage payments are done through our bank accounts, with money deducted for PF and ESI. When we demand a wage increment, the management refuses saying that we are only contract labourers. A worker who is employed here is given an amount of Rs. 380 per shift. But for the past two years no increment has been given. Hence, the management must come forward to provide the increment.”

Related to this, Mahalingam, the proprietor and contractor said, “The workers that participated in the agitation are contract labourers. Their salary account is closed once per year. Moreover, we did not promise that we would pay the increment so there is no necessity to provide any increment to the contract labourers. At the time of industrial crisis, we are unable to pay an increment to the workers. We pay a fixed salary.”

## Internal Complaints Committee

### Order to form complaints committee

**Dinamalar - December 12, 2017**



Tirupur: The District Administration has announced that Internal Complaints Committees must be formed both in public and private companies.

The District Administration released a circular stating, “As per the [Sexual Harassment of Women at Workplace \(Prevention, Prohibition and Redressal\) Act, 2013](#), Internal Complaints Committees must be formed in order for staff to file complaints regarding sexual harassment. This committee must be formed in both the public and private sector companies where more than 10 persons are employed. A workplace with less than 10 employees can permit their employees to file complaints of sexual harassment at the Social Welfare Office in the Collectorate.”

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