

This Diwali may disappoint textile workers

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COIMBATORE: This Diwali is unlikely to cheer up the two lakh odd workers of textile mills in the district, as the bonus is expected to remain less than 10% of their annual salary.

While textile units are likely to offer a minimum bonus of 8.33%, foundries, automobile parts manufacturers and other sectors are likely to offer their employees a festival bonus of 12%-16% of their annual salary.

Trade unions, however, said they would demand a bonus of 16.6%- 20% of employees' annual salary from the companies as the economy has improved. They said talks in this regard were on with majority of the big companies and industrial organisations.

"We just held talks with ABT Travels and Parcel Service and it has agreed to give us a bonus of 16%," said a senior CITU member.

"Most companies generally offer only 8.33% of annual salary or one month salary as bonus. We know that the companies are doing financially well and as such we will demand for bonuses accordingly. Their balance sheets are strong enough to offer us a bonus of at least two months' salary or 16.33% of annual salary," said trade union leader U V Vellingiri.

If the available information is anything to go by, at 7,000, the National Textile Corporation has fixed the bonus at the same rate as last year.

The industrial sector, specifically the textile industry, said they can afford only a bonus of 8.33%-12% of employees' annual salary this year. "This is because business is yet to pick up," said the president of Coimbatore District Small Industries Association (CODISSIA), V Sundaram.

"Cash flow is yet to improve. Business volumes and profits margins aren't anything better than what we clocked in 2013. While it is better than the past couple of years, we need to compensate for the losses incurred in 2014 and 2015," he said.

The same situation seems to prevail among the engineering and machination industries too. "Companies that used to run two shifts earlier don't have enough orders to run one shift fully," said the president of Coimbatore-Tirupur district Micro and Cottage Industries Association (COTMA), S Ravikumar. "We don't calculate the bonus in terms of percentages of salary. It is usually given based on individual's performance and contribution," he said.

"But since the situation has slightly improved, small scale industries might hike the bonus by 3% to 5% of what we offered last year," Ravikumar further said.

The foundries, however, are likely to stick to their last year's bonus scheme. "The top foundries in the district will offer a bonus of 15% and 25% of employees' annual salary as they had done in the last year," said J Ganesh Kumar, president Indian Institute of Foundrymen.