

Textile mills seek measures to pay workers

- [M. Soundariya Preetha](#)

The main demand of many of the textile mills in the region, since the announcement on demonetisation of Rs. 500 and Rs. 1000 notes, is the need for arrangements so that the mills are able to pay the workers, especially the casual workers who get their wages in cash.

It is not just payment of wages, but several other daily activities that are affected because of the demonetisation of the Rs. 500 and Rs. 1000 notes, say industry sources here.

Bank accounts

According to the spokesperson of a 1.5 lakh spindle mill that employs 2,000 people directly, the bigger mills have opened bank accounts for the workers, even the trainees, and pay the salary in the accounts. But, weavers and yarn agents do not want to lift the yarn from the mills now, especially those in the northern States.

Some of the weaving centres have come to a standstill and this has hit the mills here.

Yarn stocks are piling up. In the case of cotton too, the arrivals are just picking up and ginners are unable to pay the farmers in cash. Hence, farmers are not bringing cotton to the markets. There is a pressure on raw material and sales front. The Government should look at easing the pressure felt by businesses, the spokesperson said.

The Managing Director of a 75,000 spindle mill, which employs 1,200 people directly, in Salem says lorry movement is hit because of the demonetisation. Very few lorry owners are willing to accept payment by cheque.

Further, most of the mills are purchasing cotton only for their immediate needs and cotton prices have also firmed up. Cotton farmers are not willing to sell cotton now. Apart from the regular workers there are temporary workers for maintenance works. They get weekly wages.

They need payment of wages in cash. Even the workers who get the salary in their bank account are unable to withdraw money from the ATM. And, the savings with them are in the denominations of Rs. 500 and Rs. 1,000.

Advance payment

These workers want to change the notes immediately or they ask for advance payment of wages. They will have to go to the bank for this and will not be able to work on that day.

The cash need of textile mills is high and there should be systems to help the units manage day-to-day operations, say the sources.
