

## Month-long cash crunch mayhem

The effect of demonetisation even after a month on jewellery business in the city is palpable with sales registering a sharp downfall.

A leading jewellery shop owner on Boring Road said: "There has been a 50 per cent decline in sales since demonetisation was announced on November 8. Even though the wedding season is at its peak, the sales have been not encouraging. Most customers who are coming to buy jewellery in different segments are complaining of limitations of withdrawing cash from banks and ATMs as the main reason behind their decision to buy ornaments less than what they had planned." Another city jeweller at Raza Bazaar said: "I don't think the situation is going to improve this year. Even in 2017, we are not expecting the condition to improve as cash circulation is dismal at present. Till the cash crisis eases, we don't feel there will be a turnaround."

### **CARS: Brakes on sales**

Car sales, too, have been adversely affected after the Centre's announcement of demonetisation. Ashok Priyadarshee, the chief executive officer at Alankar Auto Sales on Boring Road, said: "Our business has fallen by nearly 30 per cent as the preference of people have shifted from buying luxury items to essentials." An employee of another major car dealer of the city, Karlo Automobiles at Sri Krishna Puri, said: "Since demonetisation, we have sold five cars against the targeted 10. We are witnessing a heavy slump in sales as customers are shying away from making fresh bookings."

Even cars in the premium segment (above Rs 15 lakh) have seen a dip in sales, said a showroom employee in the city.

The used car market has also witnessed a slide of nearly 50 per cent. Car sales have not picked up despite several companies, including Renault, Nissan, Datsun and Honda, offering cashless transaction facilities to their customers and are entering into partnerships with leading banks such as HDFC, ICICI and Axis Bank for providing 100 per cent finance options to prospective customers.

### **ELECTRONICS: Fuse off**

The consumer durables market tells a similar story. The most affected segment is high-end television sets, said an employee of Patna Central Mall. "Prior to

demonetisation, we used to sell 15 sets a month, it has come down to less than five now," he said. Ranjit Kumar, an employee of a Whirlpool retail shop in Kankerbagh, said: "In the initial 15 days, people virtually stopped coming to our showroom. Demonetisation has taken a heavy toll on our business as it has registered a decline of more than 50 per cent. We don't see the situation normalising very soon."

A salesman at an electronic shop at P&M Mall said: "Sales have dipped to 50 per cent when demonetisation was announced. However, we have made some recovery as even those people who preferred paying by cash earlier have started using cards now."

### **CINEMA: Average hit**

Single-screen and multiplex cinema owners believe the worst is over.

Sharad Gupta, manger of the two single-screen theatres, Mona and Elphinstone, said: "Around 20 to 30 per cent of our business was affected in the initial seven days but now there is no crisis. We have card swiping facility at both theatres apart from having the option of booking seats online. While earlier the ratio of people booking seats online versus cash payment was 20:80, it is now 60:40."

An official of Cinopolis, who spoke on condition of anonymity as he is not authorised to speak to the media, said the note ban has had little impact. "We have Paytm and online booking facility. Most people are using these facilities to make payments. Earlier cash versus online payment was in the ratio of 60:40 and now it is vice-versa," the official said. He added that around 30 per cent business was hit the day after demonetisation was announced.

### **RESTAURANTS: Bad taste**

Abhishek Parmar, owner of Swadesh, a restaurant on Boring Road, said there was a 40 per cent drop in business. "In the initial three days after the announcement, we were accepting scrapped currencies. Though we have card swiping facility, home delivery has been hit. Very few people come with cards at our restaurant," said Abhishek.

Quazi Rumi Ekta, director, Yellow Chilli restaurant, said: "We have card swiping facility. So footfall has not dipped but we have to source our products from farmers, grocers and milk parlours, who ask for change. They don't know how to use Paytm. We tell them to use debit cards but then many don't have bank accounts and there are a few who have bank accounts, but have never used cards. Our employees have to

move from one milk parlour to another because the parlours ask for change. It has challenging for us to purchase the kitchen products on a daily basis."

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