

Traders in city's business hubs face heavy losses

Sales improved in the last few days but still far from normal

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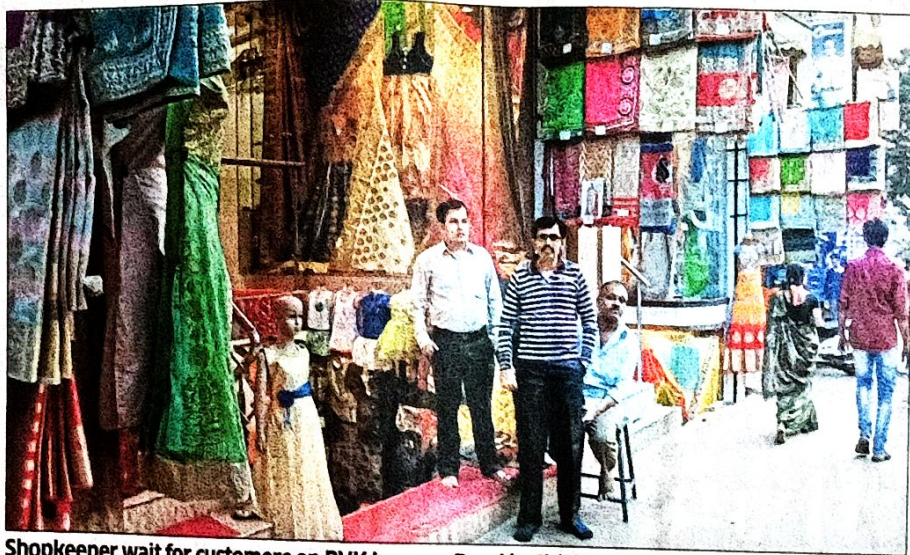
BENGALURU: Traders in Bengaluru's three main business hubs – Chickpet, Commercial Street and Avenue Road – have suffered heavy losses ever since the Centre banned 500- and 1,000-rupee notes on November 8.

Though sales have picked up in the last two days, business is still far from normal. The situation can improve only when the new 500-rupee notes are released quickly, they say.

Secretary of Karnataka Silk Retail Cloth Merchants' Association, M S Ramakrishna, said business in Chickpet had dropped considerably. His own store, Kanchi Vallalar Silks, was also affected. "Only 25% of the usual business is coming in right now. The primary reason being the lack of 500-rupee notes. There is an acute shortage of change," he said.

At a prominent silk store, Rukmini Hall, business came to a complete halt on November 8 and 9 following demonetisation. "We were just sitting idle the whole day with no business. Legally speaking, we could not take cash from customers and were forced to only accept cashless transactions," said the co-owner, Muralidhar Pawar.

Same is the case with Padmavathi Jewellery Mart on Av-



Shopkeeper wait for customers on BVK Iyengar Road in Chickpet as business remained affected following the demonetisation. DH PHOTO / KISHOR KUMAR BOLAR

enue Road, where business has been low. "In the afternoon, we generally see 10-12 customers. But now, there are hardly any," said the owner, M S Abhishek.

The mood in the otherwise bustling Commercial Street was bleak. Not many people are coming out to shop. Ajay Motwani, vice president of Commercial Street Association, described the change in currency notes as "erratic and irrational". His shop, DCM Retail Store, sees just 10 customers per hour. "My revenue has come down by 30%," he said.

At the popular Anand Sweets and Savouries, where prices start at Rs 40, there is a

shortage of change. "I cannot possibly return Rs 1,960 to my customers if they buy an item of Rs 50 and give a 2,000-rupee note. Earlier, customers would order milk or chaat for small amounts, but they no longer have that liberty," said the co-owner, Vipin Dadu. According to him, business has dropped by 50%. Geeta Mendha, a homemaker, visited M Fazal and Sons, an apparel store, and struggled to pay her bill of Rs 1,200. "The cashier took 15 minutes to return a change of Rs 800," she said.

At another popular joint, Woody's, there has been a 60% drop in sales. "We have set a purchase limit of Rs 100 on all

items. We accept payments only by card," said the manager, Balu.

Late payment to staff

When it came to paying the staff at Kanchi Vallalar Silks on the 5th of this month, employees returned the money as the notes were no longer valid. "As per the new rules, an authorisation letter has to be given to a representative, making it another obstacle to collect the money from the bank. I had to collect the money in person by standing in queue for three hours to pay my employees," Ramakrishna said. The cash flow had improved in the last few days, he added.

SBH to swap notes for all customers

The head office of the State Bank of Hyderabad has directed all its branches to exchange scrapped notes of all the people who visit them. *DH* had reported that some branches of SBH were exchanging currency only for account holders.

Srivaaru Silks and Sarees store has seen an 80% drop in sales and has not paid its 10-member staff. Kiran, a salesperson, said he was yet to get his monthly salary. "I am just waiting," he said.

Employees at Anita Jewellery Mart have also not been paid this month. "I have three employees who live in the outskirts. Since I don't have the card to process money, there is a 75% drop in business," said the owner, Rajith Kumar.

For Dayanan, an employee at DCM Retail Store, travelling to work has become a challenge. "When I was travelling by bus from Kamanahalli to Shivajinagar, the conductor insisted on change and all the passengers were blank-faced," he said.

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