DEMONETISATION PHOBIA TO DOMINATE 2017

THE proposed GST is expected to be the biggest game changer for the banking, financial services and insurance (BFSI) sector. We expect the GST rate be capped at the lower standard rate.

It will be highly unsustainable if the GST rate is hiked from the present service tax rate. Higher GST rate will lead to inflationary trends, which can be moderated if the rate is capped at lower standard rate.

Currently, the BFSI players have only one centralised registration and minimal compliance, although their clients are spread across India. Pushing BFSI industry players to get state-wise registrations will lead to hardships in the form of increased compliance and paperwork. Although there should not be any issue on sharing state-wise information for GST compliance, continuity of centralised system for BFSI sector with respect to registrations, billing, tax payment and assessment will be very effective and productive for this sector.

REAL ESTATE:
By AJAY JAIN, ED investment banking and head real estate group, Centrum Capital

Investors, developers and other stakeholders will be cautiously optimistic towards the sector in 2017, in the wake of demonetisation. Come 2017, we will see a more regulated sector as Rera gets implemented in real time and players get consolidated, with only reputed serious developers remaining in the industry. We can expect more foreign participation in the coming year owing to increased transparency and regulation. We expect banks will be lending big way to NBFC and housing finance companies and selectively lending directly to credible developers for construction finance, LRD & LAP funding. The luxury-housing segment is likely to witness a slowdown. Sales in the mid-market segment however, should pick up pace and mortgage rate reductions by banks will be something homebuyers can look forward to. Office space absorption is going to continue its growth momentum in 2017. Retail will continue to provide a major boost for the sector, post FDI relaxations in single-brand retail. We look forward to 2017 being a profitable year for the sector, with the market expected to show signs of recovery and improvement by March 2017.

INFRASTRUCTURE:
By SANDEEP UPADHAYAY, managing director & CEO of Centrum Infrastructure Advisory Limited

Besides continued focus on the road sector buoyed by roll out of new models like hybrid annuity, I expect some of the major projects to be announced in the urban transportation segment. Most of the green field projects will be based on sources of funding backed by the government vis-a-vis the private sector. I also foresee alternate sources of infrastructure financing to conventional lending from banks taking off in a big way in the form of IDFs, InvITs and institutional financing and spurt in M&A activity in stressed asset space with the bankruptcy law on the anvil.

LOGISTICS:
By AREEF PATEL, vice-chairman of Patel Integrated Logistics

The logistics industry will enter 2017 with a double whammy. First is the apprehension on the roll out of GST, which has been able to pull through a series of roadblocks for two decades. The question is whether we will miss the deadline once again or not. The prolonged impasse till the passage of the GST Constitution Amendment Act had already kept the sector in an uncertain state for long. Secondly, demonetisation has played havoc in the logistics sector, especially the cash-dependent transportation business and the vagaries will continue in the new year too. The real impact will be visible at least in the next two quarters, in particular in tier II and III cities. One can only wish