



LAKSHMI VILAS BANK

91st ANNUAL REPORT 2017 - 2018



BBPS (BHARAT BILL
PAYMENT SYSTEM)



INTERNET
BANKING



LVB MOBILE



LVB UPAAY



POS



DEBIT CARD



E-LOUNGE



BHARAT QR



ATM



USSD (*99#)

BOARD OF DIRECTORS



Shri B.K. MANJUNATH
Non Executive Chairman



Shri PARTHASARATHI MUKHERJEE
Managing Director & CEO



Shri N. MALAYALARAMAMIRTHAM



Shri Y.N. LAKSHMINARAYANA MURTHY



Shri KUSUMA R MUNIRAJU



Smt. ANURADHA PRADEEP



Shri HEMANT KAUL



Shri G. SUDHAKARA GUPTA



Shri H.S. UPENDRA KAMATH



Shri SUVENDU PATI
RBI Nominee



Shri RAJNISH KUMAR
RBI Nominee


LAKSHMI VILAS BANK

BOARD OF DIRECTORS

Shri / Smt.

B.K.Manjunath - Non-Executive Chairman

Parthasarathi Mukherjee - Managing Director & CEO

N.Malayalaramamirtham

Y.N.Lakshminarayana Murthy

Kusuma R Muniraju

Anuradha Pradeep

Hemant Kaul

G.Sudhakara Gupta (From 27.09.2017)

H.S.Upendra Kamath (From 20.04.2018)

Suvendu Pati - RBI Nominee

Rajnish Kumar - RBI Nominee

PRESIDENTS

Meenakshi Sundaram RM (Head - Corporate Banking)

Narayanan P P (Head - MSME and Transaction Banking)

Sundar S (Chief Financial Officer)

SENIOR VICE PRESIDENTS

Gurumurthy R K

Peeush Jain

Padmanabhan Premkumar

Sudhir Kaushik

Kumarappan RM

Madhusudana Rao V

Vasant Shukla

Venkatesh S

Manmadha Rao Boyina

Nachiappan N

Rajendran A

Manikandan M

Ravindra Kumar G

Neena Anand

Srinath M

Sanjay Kumar Rai

COMPANY SECRETARY

Ramanathan N

STATUTORY AUDITOR

M/s. R.K. Kumar & Co.

Chartered Accountants

Chennai

(Registration No. 001595S)

SECRETARIAL AUDITOR

Shri K.Muthusamy,

Practicing Company Secretary

Coimbatore

(M.No.F 5865; CP:3176)

REGISTERED OFFICE

Salem Road, Kathapara, Karur-639 006,
Tamilnadu

Phone : 04324-258501

Website: www.lvbank.com

E-Mail : secretarial@lvbank.in

CORPORATE OFFICE

"LVB HOUSE",
No.4, Sardar Patel Road,
Guindy, Chennai - 600 032
Tamilnadu

Phone : 044 22205222

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Integrated Registry Management Services
Private Limited

II Floor, "Kences Towers",
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai - 600 017.

Phone : 044-28140801/2/3 Fax: 28142479

Email : lvb@integratedindia.in



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**LAKSHMI VILAS BANK****DIRECTORS' 91st ANNUAL REPORT****TO****THE MEMBERS**

The Directors of your Bank wish to present this 91st Annual Report on the business and operations of your Bank together with the Audited Accounts for the year ended 31st March, 2018 (FY 2017-18).

1. FINANCIAL PERFORMANCE:

The highlights of the financial performance of your Bank for the year ended 31st March, 2018 are as under:

Particulars	For the year ended (₹ in crore)	
	31 st March 2018	31 st March 2017
Deposits	33,309.48	30,553.35
Advances (net)	25,768.20	23,728.91
Investments (net)	10,767.75	8,651.73
Total Income	3,388.43	3,349.42
Operating Profit	355.38	634.06
Provisions & Contingencies	940.24	377.98
Net profit	(-)584.86	256.07

Your bank registered a growth of 10.64% in business and attained a total business of ₹ 60,314.02 crore in FY 2017-18 as against total business of ₹ 54,511.81 crore in FY 2016-17.

Deposits grew by 9.02%, from ₹ 30,553.35 crore as at 31st March 2017 to ₹ 33,309.48 crore as at 31st March 2018. CASA represented 21.06% of total deposits. Total advances (net) expanded by 8.59%, from ₹ 23,728.91 crore to ₹ 25,768.20 crore in the same period.

The total Priority Sector Advances were ₹ 8801.64 crores forming 41.81% of Adjusted Net Bank Credit (ANBC) against the regulatory prescription of 40% of ANBC for the FY 2017-18.

The total Agricultural Advances stood at ₹ 3793.54 crores forming 18.02% of ANBC against the regulatory prescription of 18.00% of ANBC. Of which, loans to Small and Marginal Farmers stood at ₹ 1970.29 crores forming 9.36% of ANBC against the mandatory requirements of 8.00% of ANBC for the year 2017-18.

Our Bank's advances to Micro Enterprises under MSME were at 7.60% of ANBC amounting to ₹ 1599.14 crores against the mandatory requirements of 7.50% of ANBC for the year 2017-18.

Bank's advances to Weaker Sections were ₹ 2133.28 crores forming 10.13% of ANBC against the mandatory requirements of 10.00% of ANBC for year 2017-18.

The Bank continues to comply with the regulatory guidelines under priority sector, agricultural lending, micro enterprises and weaker section advances.

The Bank's exposures to sensitive sectors including Real Estate and Capital Market were maintained well within the regulatory limits as well as overall internal ceilings prescribed for such exposures.

As at the end of the year under review, the total investments (net) of the Bank stood at ₹ 10,767.75 crore as against ₹ 8,651.73 crore as on 31st March 2017.

Your Bank's Treasury continues to focus on sound Asset-Liability Management and on servicing clients with appropriate treasury products and was managed reasonably well in a systematic way in a year when yields were constantly rising.



2. PROFIT / LOSS

The Bank has posted an operating profit of ₹ 355.38 crores in FY 2017-18 against ₹ 634.06 crores in the previous year FY 2016-17. Excluding Treasury profits, the operating profit for 2017-18 was ₹ 290.98 crores as against ₹ 374.10 crores in the Previous Year. The net loss for the year, after provisions and taxes, amounted to ₹ 584.87 crores as against a net profit of ₹ 256.07 crores recorded in 2016-17.

3. APPROPRIATIONS:

Particulars	For the year ended (₹ in crore)	
	31 st March 2018	31 st March 2017
Profit brought forward	62.26	0.00
Transfer from Investment Reserve	0.00	0.00
Amount available for appropriation	(-)522.60	256.07
Transfer to		
Statutory Reserve	0.00	64.10
Capital Reserve	86.26	77.16
Other Reserve		46.55
Investment Reserve	0.00	0.00
Special Reserve u/s 36(i)(viii) of the IT Act, 1961	0.00	6.00
Proposed Dividend/Dividend paid for FY 2016-17	51.79	0.00
Corporate Dividend Tax - FY2016-17	10.47	0.00
Balance of profit carried forward	(-)671.12	62.26

4. DIVIDEND:

In view of the Net Loss for the FY 2017-18, your Board of Directors is unable to recommend any dividend for the year.

Your Bank has a Board approved Dividend Distribution Policy which has been formulated in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and extant RBI Circulars / Directives. The Dividend Distribution Policy has been enclosed as Annexure J to the Directors' Report. The Policy has also been made available in the website of the Bank and can be accessed at <https://www.lvbank.com/Policies.aspx>

5. RIGHTS ISSUE 2017-18:

During the year 6,39,87,006 equity shares were allotted to eligible shareholders on Rights Basis in line with Chapter II (10) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. These shares were issued at a premium of ₹ 112/- to the face value of ₹ 10/-.

As on March 31, 2018, the post-issue paid-up capital of your Bank stood at ₹ 255,99,37,530 comprising 25,59,93,753 equity shares of ₹ 10 each.

6. STATEMENT OF DEVIATION OR VARIATION:

During the year, the Bank had allotted equity shares to eligible shareholders on Rights Basis on 03.01.2018. The issue was done in order to enhance the capital adequacy ratio in line with the RBI norms and the proceeds of the issue were used primarily to enhance the Bank's Capital Adequacy Ratio and to increase our capacity to lend and for general corporate purposes subject to compliance of applicable laws. There was no variation prompting disclosure under Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

7. EPS / BOOK VALUE:

Earnings per Share stood at ₹ (-)28.29 for the year ended 31st March, 2018 as compared to ₹ 14.07 as on 31st March, 2017. Book Value of the share, stood at ₹ 84.39 on 31st March, 2018 as compared to ₹ 102.74 as on 31st March, 2017.



8. NET OWNED FUNDS / CAPITAL ADEQUACY RATIO:

Net Owned Funds (NOF) of the Bank increased from ₹ 1,966.85 crores as at the end of FY 2017 to ₹ 2160.41 crores as at the end of FY 2018, reflecting a growth of 9.84%.

The Capital Adequacy Ratio (CAR) as on 31st March 2018 as per BASEL III is 9.81%. The Tier-I and Tier-II components of Capital Adequacy Ratio were maintained at 8.05% and 1.76% respectively.

It is heartening to mention that the rights issue had received overwhelming response and participation by the existing shareholders. The Bank is proposing to go in for raising of further capital to bolster Tier-I to take care of regulatory prescriptions as well as to fund planned growth for at least the next two years.

9. STRATEGY OF IND-AS IMPLEMENTATION:

Ministry of Corporate Affairs (the "MCA") had given a roadmap on convergence to Ind AS by banks mandating them to adopt Ind AS from April 1, 2018. Consequently opening balance sheet was required to be drawn as on April 1, 2018.

Progressing towards Ind AS, Bank has prepared the Proforma Statement (Unaudited) for the half year ended 30.9.2016 and for the Quarter ended 30.6.2017 with the opening Balance Sheet as on 1.4.2017 as per extant regulatory guidelines as advised by RBI circular DBR.BP.BC.No.2535/21.07.001/2017-18 dated September 13, 2017 and submitted to RBI.

However, on April 05, 2018, Reserve Bank of India (RBI) has announced deferment of implementation of Indian Accounting Standards (Ind AS) by one year for scheduled commercial banks. Accordingly the FY 2019-20 would be the first year of Ind AS with FY 2018-19 as the comparative year. Bank is in the process of upgrading the Core Banking System and has initiated necessary steps for the preparation of financial statements as per Ind AS.

10. NON-PERFORMING ASSETS (NPA):

The Gross NPA of all the banks in the country has seen upward movement during the FY 17-18. The Indian Banks' Gross NPA/Bad loans stood at ₹ 10.25 lakh crores as on 31.03.18. This is 11.80% of the total loans given by the banking industry. During the FY2018, the total bad loans of scheduled banks rose substantially by ₹ 3.13 lakh crores. Both public and private sector banks have faced significant challenges from the bad loan. Our bank, despite accelerated efforts to maintain good health in the quality of the accounts could not control the addition of NPA during the FY 17-18 due to reasons beyond its control (i.e.,) the failure of majority of industries granted under infrastructure, Iron and steel, textiles, etc. The introduction of IBC (Insolvency and Bankruptcy Code) could not bring any drastic results as it is in its initial implementation stage.

With concerted efforts, substantial reduction in NPA of ₹ 862.Cr has been effected; while, the unprecedented slippage of standard assets to NPA has eclipsed the good recovery performance.

The Bank has intensified recovery efforts and these are expected to result in significant improvement in the NPA ratios during the year. Initiatives include disposal of secured assets under SARFAESI/DRT, enforcement of favourable decrees as well as sale of assets to ARCs. In this connection, the Bank has seen considerable interest to purchase such stressed assets, from various interested entities and with these efforts bank is hopeful of significant achievement in reduction of NPA.

11. BRANCH AND ATM NETWORK:

The Bank had obtained license to open 75 new branches (69 General Banking Branches and 6 Commercial Banking Branches) during 2017-18 to extend its reach and opened 67 branches during the year including 2 personal Banking (one in Chennai and the other in Bangalore) and 6 commercial banking branches. The Bank's network spread as on 31st March 2018 stood at 548 branches with 540 General Banking branches, 7 Commercial Banking Branches, 1 Satellite branch and 7 extension counters with its presence spread across 18 states and the union territory of Puducherry. The Bank has added 62 new ATMs during the Fiscal 2017-18 and the ATM network stood at 1020 which includes 596 Offsite ATMs.

The Bank's augmented Branch and ATM network continues to provide quality banking and financial services to its customers. The Bank continues to focus on providing fine banking & financial services to all its customers.

12. FINANCIAL INCLUSION:

Financial Inclusion is the delivery of banking services at an affordable cost to the vast sections of disadvantaged, low income groups and providing timely and adequate credit where needed. The essence of financial Inclusion is to ensure that a range of appropriate basic financial services are made available to every individual, enabling them to understand and access those services. Pradhan Mantri Jan Dhan Yojana (PMJDY) project ensure to open at least one bank account to every family/household and issuing of personalized Rupay Debit cards. Rupay debit cards have in-built accidental insurance coverage.

The bank has implemented the financial inclusion plan in 363 Villages & wards allotted by SLBC in Tamilnadu. The Bank has opened 1,84,018 Basic Savings Bank Deposit Accounts (BSBDA) including 85,555 accounts under PMJDY, as on March 31, 2018.



13. INTERNATIONAL BUSINESS:

During financial year 2017-18, the rupee marginally depreciated by 0.5%, against a 2.1% gain in previous fiscal year on account of rising twin deficit. Rupee remained largely stable in comparison to other Asian currencies amid global recovery. Sovereign credit rating upgrade by Moody's from Baa3 to Baa2, recovery of economic growth in second half of the year and record high RBI foreign exchange reserves of USD 424 Billion contributed to a stable rupee for most part of the year. U.S Federal Reserve continued to remain on tightening path by increasing interest rates thrice during the financial year with better than expected U.S.economic growth and rising inflation. The Bank of England increased its interest rates for the first time since 2008.

In the reporting financial year, the Bank has made a substantial growth in the foreign exchange turn over and achieved ₹ 11,192.64 Crores as against ₹ 6416.29 Crores in the previous year and is geared for a higher growth.

14. LIABILITIES PRODUCTS:

The liabilities business continued its growth trajectory in FY18.

- The Bank ended FY18 with total deposits of INR 33,309 Crores.
- Current and Savings Account (CASA) balances registered a y-o-y growth of 20%.
- The growth of CASA on a cumulative daily average balance (CDAB) basis was 23%. CASA as a part of total deposits grew to 21%, in line with the Bank's objectives for the business.

PERSONAL BANKING AND BUSINESS BANKING:

- The Bank continued with the strategy of expanding the CROWN and NR franchise.
- A team of Relationship Managers acquire new CROWN relationships and work with our existing CROWN customers, to evolve as their preferred financial partner.
- The LVB CROWN SERVICES segment of customers accounted for a Savings Bank book of INR 668 Crores, a y-o-y growth of 81%.
- To enable non-resident customer to open accounts when they are overseas, the Bank has introduced "Virtual Relationship Manager", and more importantly, pick up of Account Opening Forms and documents through DHL, absolutely free of cost.
- The NR book has grown impressively by 76% y-o-y.
- The Bank has continued to customize products and services to address banking requirements of various segments. Accordingly, 15 new and revamped products in Current and Savings Accounts have been launched, with bespoke benefits.
- LVB Vyapaar, launched towards the end of FY17 contributed handsomely with fee income as well as a growing Current Account book.

15. LISTING AGREEMENT WITH STOCK EXCHANGES:

The Equity Shares of the Bank are listed with the National Stock Exchange of India Ltd, Mumbai and BSE Ltd, Mumbai which is enhancing the liquidity of your equity shares.

16. ALIGNING TECHNOLOGY WITH BUSINESS OBJECTIVE

During the financial year 2017-18, your bank had implemented the following digital initiatives:

Your Bank had introduced various digital features and services to serve you better. Bharat - QR, Card Management and Card Less Cash withdrawal features were enabled in mobile banking. Customers can now scan the QR at the merchant location and make payment instantly without need for swiping his/her debit card. The card management feature can be used for locking/unlocking the cards temporarily, manage the card limits for cash withdrawal, e-commerce and POS, set the Green Pin, change the debit card PIN. This is in addition to the card hot-listing feature already available in mobile banking.

Further to meet the ad-hoc cash requirements of customers, card-less cash feature is enabled through IMT (Instant Money Transfer). The customer can initiate cash payment to any other beneficiary in India using the mobile number. The beneficiary can use the secured credentials shared to him directly by the sender and also one received by him on his phone number to withdraw cash from any of IMT enabled ATMs including your Bank's ATMs.

This year your Bank had launched UPI (Unified Payment Interface) application - LVB Upaay in IOS in addition to Android platform launched during last year. USSD 2.0 services are enabled for customers, wherein the customers can inquire the balance, carry out fund transfer by dialing *99#.

New version of Information Kiosk had been launched by your Bank with enhanced user experience which facilitates customers to recharge mobile, DTH, block debit cards, set Green Pin for debit card, cheque status inquiry including the stop payment, various intra and interbank fund transfer options, along with other options to inquire the account balances, account statement, last 10 transactions etc.



Now retail internet banking users are empowered to set and manage the limits for financial transactions and also set the limit for beneficiaries added by them. In addition to the above, 'Aadhaar Seeding' feature is enabled in retail internet banking.

17. WEALTH MANAGEMENT / PARABANKING ACTIVITIES:

Life Insurance:

Bank has entered strategic alliance with three leading Life Insurance companies in the country, Max Life Insurance, Birla Sun Life Insurance and DHFL Pramerica Life Insurance Company Ltd to offer life insurance cover to the valued customers of the Bank. The products offered to our clients are more diversified and tailor made to meet their requirements.

During the financial year 2017-18, the Bank has insured 9077 lives and grown by 54% and the premium collection has increased from ₹ 28.41 Crs to ₹ 38.07 Crs, registering Y-o-Y growth of 34%.

General Insurance:

Bank has tied up with Future Generali General Insurance Company Ltd to offer non-life insurance products to the various customer segments. During the year, the Bank collected the general insurance premium of ₹ 17.68 Crs while covering the assets of our customers.

Health Insurance:

The Bank has tied up with M/s. Cigna TTK Standalone Health Insurance Company Ltd to offer health insurance products to the customers; The Bank collected health insurance premium of ₹ 5.75 Crs during the year and covered 4721 customers.

Wealth Management:

1. FISDOM - Bank has tied up with M/s. Finwizard Technology Pvt Ltd (widely known as FISDOM) to offer mobile based wealth management services to our customers.
 - Fisdom enables end-to-end digital transactions for mutual funds and this is first time in India.
 - Our customers can invest in equity, debt and liquid instruments, through Fisdom, of almost all leading AMCs.
 - The Bank has acquired 12500 clients with AUM of ₹ 35 Cr
 - The monthly SIP book stood at ₹ 2 Cr.
 - Bank has explored NPS enrollment option in Fisdom App, interested customer can enroll into NPS in fully digital platform and generate the PRAN instantly.
2. The Bank tied up with M/s. Centrum Wealth Management Limited (CWML) offering end to end wealth solution to our Ultra HNI clients, CWML is an established player in the market with AUM of INR 10,000Cr and expertise in area of complete Private Banking.

18. RISK:

The objective of risk management of the Bank is to achieve optimum return while operating within acceptable level of risk appetite. The Bank has an independent risk management function which is tasked with managing risk through policies and processes approved by the Board of Directors. These encompass identification, measurement and management of risks across the various businesses of the Bank. The risk management function in the Bank strives to scientifically study vulnerabilities of process across business portfolios through quantitative or qualitative examination of the embedded risks and controls. The function continues to focus on refining and improving its risk management systems through automation of processes and building and strengthening controls.

The Bank has in place a Risk Management Committee of the Board of Directors. The Bank has formulated and adopted a robust risk management framework. The Bank has in place committees such as Credit Risk Management Committee (CRMC), Asset Liabilities Committee (ALCO), Operational Risk Management Committee (ORMC), Business Continuity Management Committee (BCMC), Information Systems and Steering Committee (ISSC). These committees meet frequently and discuss risk related issues arising from businesses and processes and have active participation from Top Management of the Bank.

The overall risk appetite and risk philosophy of the Bank is articulated by the Management to the Risk Management Committee and Board of Directors. The risk appetite framework provides guidance to the management on the permitted levels of exposure to various businesses and maps to the business strategy of the Bank. Further the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses and projects the requirement of capital. The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputation risk and strategic risks and exercising oversight on risks associated with outsourcing. The Bank has in place well-defined policies appropriate for the various risks, viz. credit risk, market risk, operational risk, liquidity risk, counterparty risk, country risk, reputational risk, strategic risk and outsourcing risk. These are reviewed periodically in order to benefit from internal and external experience. IT and cyber risk has assumed significance in keeping with the rising risk in these areas and to keep pace with regulatory advisories.



19. INTERNAL CONTROLS:

The Bank has an independent Audit and Inspection Department, which subjects all the branches of the Bank besides the Treasury, Currency Chests, Service Branches, Regional Offices and every department of the Corporate Office, to regular inspection. The Bank also carries out regular IS audits covering application systems and processes in business units.

Key areas including Treasury, centralized operations departments and a large number of branches are under concurrent audit. Concurrent audit is carried out by qualified external auditors and meets requirements of Risk Based Supervision. In addition, the Bank also carries out thematic audits in selected businesses from time to time.

The Audit Committee of the Board constituted in line with RBI guidelines and as per the requirements of SEBI Regulations reviews the adequacy of the audit and compliance functions, including the policies, procedures and techniques. The Composition of Audit Committee of the Board is provided elsewhere in the report.

During the year, there were no instances wherein the Board has not accepted the recommendations of the Audit Committee of the Board.

20. HUMAN RESOURCES:

The staff strength of the Bank was increased from 4043 as on 31.03.2017 to 4623 as on 31.03.2018 to cater to the manpower requirement on account of branch expansion and business growth. Further, 504 Sales Personnel were also engaged to boost sales.

The Bank's focus on training human resources on a continual basis gained momentum by conducting online e-learning, duly leveraging technology. The Bank has trained a considerable number of resources in offsite training programmes conducted by reputed institutions such as RBI, CAB, SIBSTC, IIBF, NIBM & FEDAI. Further, the Bank has entered into a strategic training collaboration with M/s. Manipal Global Academy of BFSI and launched "Mission Enlighten" which shall facilitate in bridging the skill gap and developing the internal talent pool.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK:

Disclosure under Section 186 of the Companies Act, 2013 does not apply to Banking Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no related party transactions during the year under review and Form AOC-2 is not applicable to the Bank. During the FY 2017-18, the Bank did not have any Material Related Party Transaction.

The Bank has an approved policy on Related Party Transactions, which has been disclosed on the website and can be viewed at <https://www.lvbank.com/Policies.aspx>.

23. OUTLOOK 2018-19:

The expected growth in Global economy could provide an impetus to India's exports. The various favourable indicators such as moderate levels of inflation, anticipated growth in the industrial sector, expectation of greater stability in GST, much awaited recovery in investment levels and ongoing structural reforms could propel India's economy to grow at an accelerated pace. However, the country's growth could be impacted by the increase in crude oil prices along with the protectionist tendencies in some countries. The outlook from the recently tabled Economic Survey depicts a positive trend for the economy in the long term, which forecasts India to be the world's fastest growing large economy in the next 10 years.

Growth:

Going forward, economic activity is expected to gather pace in 2018-19, benefitting from a conducive domestic and global environment. First, the teething troubles relating to implementation of the GST are receding. Second, credit off-take has improved in the recent period and is becoming increasingly broad-based, which portends well for the manufacturing sector and new investment activity. Third, large resource mobilisation from the primary market could strengthen investment activity further in the period ahead. Fourth, the process of recapitalisation of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code (IBC) may improve the business and investment environment. Fifth, global trade growth has accelerated, which should encourage exports. Sixth, the thrust on rural and infrastructure sectors in the Union Budget could rejuvenate rural demand and also crowd in private investment.

India's GDP growth saw a temporary dip in the last two quarters of 2016-17 and in the first quarter of 2017-18 due to demonetization and disruptions surrounding the initial teething trouble in implementation of GST. The Indian economy is set to revert to its growth trend in the coming years and growth is expected to firm up in 2018-19 on the back of higher private consumption and improvement in investment.