

Advantages of GST

- Removing cascading tax effect
- Single point tax
- Higher threshold for registration
- Composition scheme for small business
- Online simpler procedure under GST
- Defined treatment for e-commerce
- Increased efficiency in logistics
- Regulating the unorganized sector

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Monetary and Financial Sector Reforms

Monetary reforms aimed at doing away with interest rate distortions and rationalizing the structure of lending rates.

The new policy tried in many ways to make the banking system more efficient. Some of the measures undertaken were:

- a. Reserve Requirements:** Reduction in statutory liquidity ratio (SLR) and the cash reserve ratio (CRR) were recommended by the Narasimham Committee Report, 1991. It was proposed to cut down the SLR from 38.5 percent to 25 percent within a time span of three years. Similarly, it was proposed that the CRR be brought down to 3 to 5% over a period of four years.
- b. Interest Rate Liberalisation:** Earlier, RBI controlled (i) the interest rates payable on deposits, (ii) the interest rates which could be charged for bank loans.
- c. Greater competition among public sector, private sector and foreign banks**

and elimination of administrative constraints.

- d.** Liberalisation of bank branch licensing policy in order to rationalize the existing branch network.
- e.** Banks were given freedom to relocate branches and open specialized branches
- f.** Guidelines for opening new private sector banks.
- g.** New accounting norms regarding classification of assets and provisions of bad debt were introduced in tune with the Narasimham Committee Report.

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Conclusion

There is no doubt that the Indian economy recorded ample achievements in some sectors after new economic policy. If the size of an economy provides the first impression of a country's political and economic strength, then India has indeed grown since 1991. In dollar terms, India's GDP crossed the \$2-trillion mark in 2015-16. Currently, the country is ranked ninth in the world in terms of nominal GDP. Once India was rebuked for its "Hindu rate of growth", a term used by Rajkrishna to refer to low rate of economic growth. The GDP growth rate of India is very much appreciated. This growth is also due to changes in accounting system. That is why the increased GDP growth rate has failed to alleviate the miseries of the common people and to reduce the socio, economic and environmental imbalances. The basic problems of unemployment, poverty, ill-health and inequalities remain unsolved.