

FISCAL POLICY IN BANKING SECTOR IN INDIA

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ABSTRACT

Financial sector reforms were initiated as part of overall economic reforms in the country and wide ranging reforms covering industry, trade, taxation, external sector, banking and financial markets have been carried out since mid1991. A decade of economic and financial sector reforms has strengthened the fundamentals of the Indian economy and transformed the operating environment for banks and financial institutions in the country. The sustained and gradual pace of reforms has helped avoid any crisis and has actually fuelled growth. As pointed out in the RBI Annual Report 3 decade 1980-81 to 1989-90,1991-92 to2000-01 and 2001-2002 to 2010-2011 , GDP growth in the 10 years after reforms i.e. 1992-93 to 2001-02 averaged 6.0% against 5.8% recorded during 1980-81 to 1989-90 in the pre-reform period. And moderate in last decade.

Key words: Fiscal , decade, reform , NBFCs, micro and macro, post-WTO