

28 • Yes, It is true when India liberalised its economic policies, there was a boost in growth. The economy became more free, freedom was given to different sectors of our society

- (i) Industries were majorly under government, 17 industries were sanctioned under public sector but after liberalization there were only a few industries which were government sector. This allowed profit maximization and inflow of investment.
- (ii) Foreign banks and foreign direct investment were now allowed after 1991, which made competition for Indian banks and other companies, with more companies there was a fight to become better and improve technology.
- (iii) Import duties were reduced, this allowed inflow of high-tech capital goods from across the world to enter Indian market and improve our own industries