As a part of structural adjustment program being implemented in India from 1991, foreign capital has been provided greater freedom of entry and operation in the domestic economy

to examine the effect of foreign investment inflow on domestic macroeconomic management and its effects on the growth and competitiveness of domestic firms

conditions in the foreign exchange market, direct RBI intervention (as a buyer of foreign

to check a rise in the value of the rupee

... the domestic financial system. As a result, domestic firms in the non-financial sector operated in

significantly, while its leveraging capability [long-term debt/equity ratios] declined, indicating a reduction in the access of the domestic corporate sector to long-term funds.

To find how this impinged upon their competitive ability, we looked closely into competitive interests [illegible] Direct Investment (FDI) inflow into the economy, between 1991-99, rose sharply after the institution of the market [illegible] FDI inflow, however, remained confined to a few sectors of industry. The six industries that we explore in this study [white goods, consumer electronics, [illegible] industries [like telecommunication services, electric power generation, [illegible] investment in fixed assets, and consumer goods industries, either durable or non-durable, where [illegible] telecommunication services and power generation, where participation of the private sector was a new phenomenon of the 1990s, policies of the State actually discriminated against domestic [illegible] while foreign firms in certain cases were provided with