

LIBERALISATION AND THE TOP 100 FIRMS IN INDIA

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ABSTRACT

The liberalisation policy of 1991 resulted in the entry and exit of a number of firms in the country. Looking at the Top 100 firms, pre and post liberalisation, there is a significant number of firms that have newly entered, or have exited, or moved substantially in ranks. This paper attempts to identify those firm characteristics that could differentiate between the firms which have entered and those that have exited from the Top 100 i.e. those that have emerged winners and those that have emerged losers. An econometric analysis is carried out through a Logit model regression using a 5 year pooled data series. The results show that the age of the firm, technology, R&D, outward orientation and foreign affiliation are highly significant in discriminating between the winners and the losers.