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# COMPARISON OF MANUFACTURING AND FINANCIAL SECTOR - REGRESSION ANALYSIS

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**ABSTRACT**

This recent spurt in growth is propelled by radical reforms such as the removal of restrictions on foreign investment and industrial de-licensing. Increasingly the success of manufacturing industries is dependent on innovations, research and development. It is critical not only to remain competitive but also, significant advantages can be gained by developing and commercializing new technologies. Until the early nineties, corporate financial management in India was a relatively drab and placid activity. There were not many important financial decisions to be made for the simple reason that firms were given very little freedom in the choice of key financial policies. Bank credit was provided in the form of an overdraft (or cash credit as it was called) on which interest was calculated on daily balances. However, the rapid growth of the services sector much before the manufacturing industry attaining maturity is not a healthy sign. This paper intends to analyse the contribution made by these two sectors for the development.

**KEY WORDS**: Manufacturing, Financial, Investment, Development, Regression analysis