Financing and Productivity: Evidence from Indian Manufacturing Industry

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<u>Abstract</u>: India grows rapidly in recent years, not to mention its high-technology industry. What are secrets behind this fast-growing situation? This paper intends to find the answer using a firm-level panel data in India and examine the loan-productivity relationship via both contemporaneous and lagged models. I find positive and statistically significant results that loans play an important role in firms' performances.

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