

of 78.27 percent. Thus table - 5 clearly shows the impact of global crisis on inflow of foreign capital is downward direction indicating negative effect. Even FDI also decreased to US dollar 17.60 billion in 2009-10 from US dollar 18.71 billion in 2008-2009 and only 111 new projects under FII's got registered with SEBI till November 2009 against as many as 375 in 2008-09 and 226 in 2007-08.

### Section - IV

#### Impact of global recession on capital market:

The impact of global recession on four indicator was assessed in Section II and III. It is expected that foreign exchange reserve, stock market and foreign capital inflow should be moved upward for positive impact and foreign exchange rate should be moved downwards for positive impact. What is happened due to global recession in respect of these four indicators is presented in Table-6.

**Table - 6**  
**Impact of global recession on Indian financial market**

Sr. No.	Indicator	% change in 2009 over 2008	Impact (+ve) or(-ve)
1.	Foreign exchange reserve	-18.64	-ve
2.	Foreign exchange rate	26.93	-ve
3.	Stock market (i.e. Sensex index)	-41.51	-ve
4.	Foreign capital inflow (Net FII's investment)	-32.22	-ve
5.	Over all impact on capital market	Negative	

Table-6 shows that foreign exchange reserve, stock market (i.e. sensex index) and foreign capital inflow that is net FII's investment in India had declined in 2009 as compared to 2008, to the extent of -18.64 percent, -41.51 percent and -32.22 percent respectively whereas foreign exchange rates had moved upward by 26.93 percent during the same period. These four indicators show negative growth, hence it can be said that the impact of global recession on Indian capital market was negative.

### Section - V

#### Summary and conclusions:

From the above assessment it can be concluded that:

- 1) GDP growth of India has declined from 7.3 percent in 2008 to 5.1 percent in 2009.
- 2) Foreign exchange reserve has declined from 55.50 percent in 2008 to -18.64 percent in 2009.
- 3) The foreign exchange rate rupee per US dollar has moved up from 40.36 in 2008 to 51.23 in 2009.
- 4) Sensex index has declined from 20873 in 2008 to 12208 in 2009, it has declined to -41.51 percent in 2007 as compared to 2008.