FINANCIAL MELTDOWN AND ITS RECOVERIES: A CASE STUDY OF INDIA

Dr. Neeru Chadha
Associate Professor, PG Department of Commerce and Business Management,
BBK DAV College for Women, Amritsar-143001 (PUNJAB).

ABSTRACT

This study traces out the genesis of Global recession and evaluates its impact on Indian Economy. The root cause of crisis is the building up of global imbalances. The origin of this crisis can be attributed to large subprime lending in USA due to several factors like uncontrolled lending, securitization and promotion of housing finance by government. Most of the countries witnessed this crisis in the form of recession but India experienced least. Global crisis has led to stock market crashes, panic in Indian banking system, currency collapse and decline in export market. The slow pace of financial reforms taking place in India, careful approach towards foreign investments in Indian business sectors, frequent technical obstacles and regulatory control have turned out to be beneficial for India and helped it to escape from adverse affects. Numerous steps have been taken by RBI to stabilize the economy, as a result of which the economy has started gaining ground.