**Abstract**

This study has been undertaken to investigate the impact of currency fluctuation on selected sectoral indices in Indian capital market. The selected sectors for analysis in this paper are Nifty Bank, Auto, Pharma, Realty, Media and FMCG with USD/INR as dependent variable. The study covers the sample period of 2013-2017 by using correlation and regression. The findings of the study reveals that exchange rate has relationship with all the selected sectoral indices except Nifty Realty. And the regression reveals that nearly 40% of the independent variables cause the dependent variable.