

Manuscript ID:
IJEBAMPSR-2025-0202021

Volume: 2

Issue: 2

Month: April

Year: 2025

E-ISSN: 3065-9140

Submitted: 15-Jan-2025
Revised: 20-Feb-2025
Accepted: 25-Mar-2025
Published: 30-Apr-2025

Address for correspondence:
S. A. Mahale
SSGM College Kopargaon, Dist. Ahilyanagar
Email: smahale120@gmail.com

DOI: 10.5281/zenodo.15828907

DOI Link:
<https://doi.org/10.5281/zenodo.15828907>



Creative Commons (CC BY-NC-SA 4.0):

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International Public License, which allows others to remix, tweak, and build upon the work noncommercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.

How to Cite this Article:

Mahale, S. A. (2025). A Critical Study on Indian Stock Market Crash during 2024-25. International Journal of Economics, Business, Accounting, Agriculture and Management Towards Paradigm Shift in Research (IJEBAMPSR), 2(2), 101–104. <https://doi.org/10.5281/zenodo.15828907>

A Critical Study on Indian Stock Market Crash during 2024-25

S. A. Mahale

SSGM College Kopargaon, Dist. Ahilyanagar

Abstract

Indian share Market down fall drastically since, last one year continues due to some reasons like FII sale, government policy, RBI and SEBI Policies. Mutual Fund inflow in the market declining day by day. Some in country reasons and some international politics also impacted on Indian share market. Indian trade deficit also main factor for the same. Global Share market impacted significantly on the Share Market. Small Cap and Mid Cap Share also down significantly. Global markets are closely watching the outcome of the US Federal Reserve's meeting on December 2024. The Sensex witnessed a broad sell-off, with 29 out of its 30 shares trading in the downward. Retail investors were the saviors of today's markets. Despite sales by FII, the NIFTY50 rose 9.24% in 2024. This was possible due to further centre flows by retail investors. "India's widening trade deficit is also an important concern. A weaker rupee will benefit to exporters ex. IT sector and pharmaceutical firms, but for importers, it increases costs. This has started to reflect in shares prices, week high. Similarly, the NIFTY MIDCAP 150 index provided a robust return of 23% after a 6.4% decrease compared to the climax. Many of these sectors are fighting companies with small and medium sized missions to further enhance their performance. With increasing access to technology, affordable brokerage platforms, good guidelines have led to increased retail participation, especially when stock prices are small. It increased in 2023.

Keywords: Share Market, Market Crash, FII, SEBI, DII, Large and Mid-Cap, SIP, Mutual Fund, Trade Deficit, IPO

Introduction

Investing in the Indian stock market began centuries ago. Loan trade can be found until the 18th century. Stock trading officially began setting up the Bombay Stock Exchange in 1875. In a few days, buying and selling stocks with cocks on your smartphone. Opens up options as investors in the stock market. Now you can manage your portfolio more proactively, efficiently or passively than ever before. On stock exchanges, investors buy and sell shares in companies, also known as stocks. The stock market is a number of stock exchanges where companies issue stocks and other securities for trade purposes. A decline in the stock market is a sudden, dramatic drop in the price of stock prices, in the case of a large cross-section of the stock market, leading to paper losses. The accident is driven by several panic sales and underlying economic factors. They often follow speculation and predict economic blisters.

Problems:

- The stock market suddenly drops.
- Government policies.
- Disaster Economic Person
- Gold Prices and Bonds:

Objectives:

- To find out reasons behind down fall in Indian Share Market.
- To understand the impact of monetary policy on share market.

- To understand the influence of FII & DII on Indian Share Market.
- To understand the impact of Gold Price on Share market.
- To understand the impact of interest rate and inflation on Indian Share Market

Scope:

- Researcher takes Bombay Stock Exchange and National Stock Exchange for Study.
- Share Market crash consider only duration from January 2024 to February 2025.
- Large Cap, Mid Cap and Small Company Down share price.
- Reasons of Share Market Crash Rapidly.
- Nifty 50 and Nifty next to 50 also decline rapidly.

Limitations:

- Time period considers only 2024 to 2025.
- Secondary data is used for research study

Research Methodology:

Secondary Data

Data:

Stock Market Crash Today: Indian benchmark equity index, the Sensex, plunged quickly, When market moods become more cautious in neighboring countries, under key stocks such as RIL, Kotak Bank, and Zomato

US Federal Reserve Meeting: Global markets are closely watching the outcome of the US Federal Reserve's meeting on December 2024. When markets have already factored in a 25-basis points rate cut, investors are keen to hear the Fed chiefs described on the future path of interest rates. Any unexpected move or statement could inversely be affected on global markets.

Indian Trade Deficit - India's trade deficit for month of November surged to \$37.8 billion, putting pressure on the currency. The rupee is likely to move forwards Rs 85 each dollar, which benefits exporters like IT and pharmaceutical industries but increases costs for importers. This has affected the stock prices of import-dependent different sectors.

Weak performance of large Shares - Large companies, also known as index heavyweights, such as Reliance Industries, HDFC Bank, and Infosys, TCS down the indices negatively. Investors sold shares of these major companies, leading to a broad decline in the Stock market.

"India's widening trade deficit is also an important concern. A weaker rupee will benefit to exporters ex. IT sector and pharmaceutical firms,

but for importers, it increases costs. This has started to reflect in shares prices,"

The Sensex witnessed a broad sell-off, with 29 out of its 30 shares trading in the downward. Adani Ports shares were the only increased on the index. Other main shares like as HDFC Bank, Reliance Industries shares, ICICI Bank, Bharti Airtel, and Larsen & Toubro stocks were the top loss making of the day. On the NSE Nifty 50, only four stocks – Adani Ports, Cipla, Adani Enterprises, and Tata Motors – managed to stay in the stable, while the other 46 stocks down. The largest losers on the Nifty50 included Shriram Finance shares, Bajaj FinServ, Grasim Industries, Bharti Airtel, and Power Grid shares.

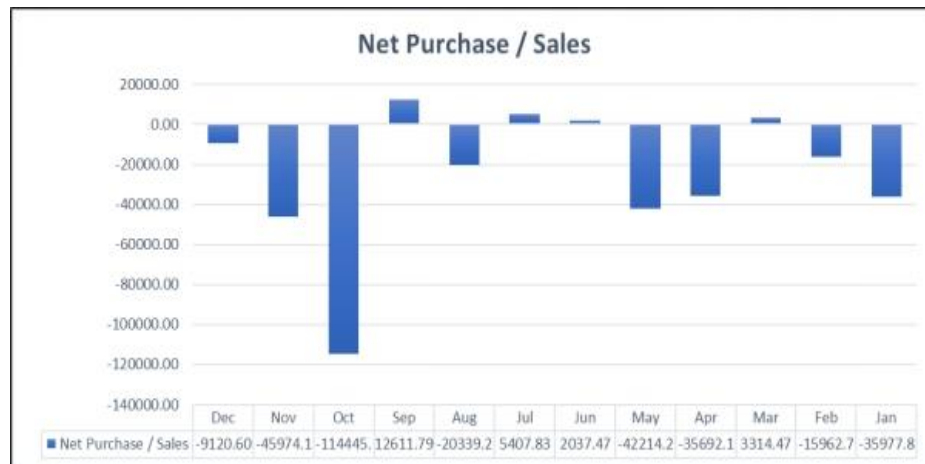
As property values and rental prices will rise rapidly over the next few years, Indian buyers and tenants may need to rely on a significant price increase. A recent Reuters survey conducted between February 17th and March 4th shows that property prices are expected to exceed inflation, which is expected to lead to a difficult market for both first buyers and tenants. A study that gains insight from 14 real estate market experts estimates that the average domestic housing awards will increase by 6.5% in 2025, and an additional 6.0% in 2026. Experts predict that rental fees will increase by 10.0% from 7.0% next year. Consumer disease rates are projected to be 4.3% in 2025 and 4.4% in 2026. This increase is expected to be burdened by urban residents, especially in the U-Bahn region, where rental demand continues to rise due to restrictions on housing provision. The expected interest reductions of the Reserve Bank of India could result in certain relief, high demand and a limited range of homes being priced domestically.

Understanding Exit of FIIs and Entry of Retail Investors

The Exit of Old good stocks

In the past, the Indian market was driven primarily by foreign institutional investors (FII). However, it has changed over the past five to ten years, and in 2024 the situation has changed mainly. Historical data suggests that the market will drop significantly when FII leaves the Indian market.

It was different this year. FII was a net buyer in 8 months, with the highest sales in October sold for around Rs 1.14 crore. FII was sold together in 2024Rs 2.96 lakh crore - a record break selling in a year.



*Data is as on 26th Dec 2024 Despite the large sales of FII with positive returns, how are we too positive? It was the new hero's fault.

The New Heroes

Retail investors were the saviors of today's markets. Despite sales by FII, the NIFTY50 rose 9.24% in 2024. This was possible due to further

centre flows by retail investors. The Systematic Investment Planner SIP price has created new heights this year in 2024. SIP flow increased to April 24th, followed by Rs 25,000 (October and November, December, December - DATA unavailable). Between January and November 2024, SIP inflow Rs was Rs 2.42 lakh, much higher than the previous year.

Month (2024)	SIP Inflow	Month (2024)	SIP Inflow In the year
Dec	NA	Jun	21262
Nov	25320	May	20904
Oct	25323	April	20371
Sept	24509	March	19271
Aug	23547	February	19187
Jul	23332	January	18838

Outperformers in 2024: Small and Medium Caps Indian stock markets offered excellent performance in 2024. According to available data, the Nifty Small Cap 250 index achieved an impressive 25% return despite a 5.7% correction compared to the 52-week high. Similarly, the NIFTY MIDCAP 150 index provided a robust return of 23% after a 6.4% decrease compared to the climax. Many of these sectors are fighting companies with small and mediumsized missions to further enhance their performance. With increasing access to technology, affordable brokerage platforms, good guidelines have led to increased retail participation, especially when stock prices are small. It increased in 2023.

These mainboard exchanges were 78, but the remaining stock exchange approach was SME. 69% of the 78 IPOs on the mainboard for the offer share bonus. Notable actors with Premier Energy, Bharti Hexacom and Waune Energies Ltd. in 2025 are dynamic versions of market and global factors. Investors will carefully monitor whether the outcome will strengthen the mission of the central government. Uncertainty in election execution can lead to short-term volatility in the stock market. A gradual decline in interest rates can support economic recovery and at the same time maintain financial stability. Investors in sensitive sectors such as banks, real estate, and automobiles focus

precisely. This phenomenon allowed the company to compare and examine sectors such as oil and gas, and to increase India's import laws. This affects the investment mood of short-term investments. If the Fed maintains Hawkier's stance, it could be stimulating and motivated by foreign institutional investors (FIIs) to pursue a cautious approach for emerging countries. Conversely, references to interest reductions could potentially increase the inflow into Indian stocks. Key sectors such as banking, finance, IT and production were characterized by key growth drivers, but India's development further emphasized international relevance as its development as a priority investment site.

Conclusion:

In 2024, benchmark times proved to be a benchmark period for Indian investors. This was characterized by strong and good market performance, particularly in the large increase in share and market capitalization of small and medium-sized stocks. Major sectors such as banking, finance, IT and production have been characterized as major growth drivers, while India's buoyancy is further emphasized as a place of prioritization.

Acknowledgment

I am Mr. Mahale S. A. thankful to HOD Dr. Bhagawat A. B., Department of Commerce and Management of Savitribai Phule Pune University for granting permission to carry out the work.

Financial support and sponsorship

Nil.

Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

References:

1. Security Exchange Board of India
<https://www.sebi.gov.in/>
2. National Stock Exchange
<https://www.bseindia.com/>
3. Dalal Street Investment Journal
4. Zerodha Broker Research
<https://technical.zerodha.com/dashboard#:~:text=A%20list%20of%20top%20movers%2C%20breakouts%20in%20stocks%2C,with%20heat%20map%20on%20Zerodha%20powered%20by%20Streak>
5. Rich Dad Poor Dad Author: Robert Kiyosaki
6. Think and Grow Rich Author: Napoleon Hill

7. Two steps Stock Market Strategy Author Warren Buffett
8. Invest Like Buffett: Value Investing for Parents Author: Pauline Teo
9. Bharat ke Warren Buffett Rakesh Jhunjhunwala
Author: Mahesh Dutt Sharma
10. The Big Bull of Dalal Street Author: Neil Borate