

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2768**

**ANSWERED ON TUESDAY, MARCH 25, 2025/ 4 CHAITRA, 1947 (SAKA)**

**HISTORICAL FALL IN STOCK MARKET**

**2768. Shri Javed Ali Khan:**

Will the Minister of **Finance** be pleased to state:

- (a) whether around ₹ 94 lakh crores have been wiped out in stock market since October, 2024 till date due to historical fall in stock market during the last 30 years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government would abolish long term capital gain tax immediately to restore the sentiments of market and to arrest the free fall of market;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**ANSWER**  
**MINISTER OF STATE FOR FINANCE**  
**(SHRI PANKAJ CHAUDHARY)**

**(a) & (b):** Stock market movements are a function of investor perceptions along with other factors which may include, inter-alia, global economic scenarios such as geo-political uncertainties affecting foreign capital flows, domestic macro-economic parameters and overall corporate performance.

The stock market benchmark indices, NSE NIFTY-50 and BSE Sensex, showed a consistent upward trend until September 2024, scaling new all-time highs. This trend has, however, moderated since October 2024. The market capitalization of all companies listed on NSE and BSE has reduced by around ₹74 Lakh crore since 1<sup>st</sup> October, 2024 till 18<sup>th</sup> March, 2025.

Notwithstanding this fall, the Indian stock markets have consistently performed positively for long term investments. The benchmark NIFTY-50 index has yielded a price return of 11.13% on compounded annual growth rate (CAGR) basis since its inception in 1996.

**(c) to (e):** No proposal to abolish long term capital gains tax is currently under the consideration of the Government. Union Budget 2024-25 introduced significant changes to rationalize and simplify the long-term capital gains tax regime, including rationalization of holding periods and rates of taxation for financial and non-financial capital assets.

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