

## **ABSTRACT**

Individual small-cap equities have better growth potential, and their indices even beat the Nifty 50 and BSE SENSEX over time. Small caps are also more volatile and more likely to go bankrupt than blue-chip companies. Their prospects are best suited to investors who are willing to accept more risk in exchange for bigger potential returns. This research aims at bringing forth a broader picture of the Indian Small-Cap market cycles over the years, the factors that affect as well as the ones that do not. Macroeconomic and global variables impacting the returns have been analyzed and further observed under a regression framework. Historical evidences from the U.S Small-Cap market cycles have been discussed with excerpts from works across the last century. Our work not only tries to validate the existing literature, but also emphasizes on the key parameters that distinguishes Small-Cap stocks from Mid-Caps as well Large-Caps.