

# A Study on Optimal Equity Portfolio in the Indian Capital Market

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**Abstract:** *This study evaluates optimal equity portfolio construction in the Indian capital market by applying the Sharpe Single Index Model. Data from 20 companies in the NIFTY 50 index are used to analyze risk-return relationships and identify companies for portfolio inclusion. The study concludes that constructing an optimal portfolio with selected stocks, such as Hero MotoCorp and Bharat Petroleum, based on their risk-adjusted returns, offers a strategy for maximizing returns with controlled risk.*

**Keywords:** Capital Market, Portfolio Optimization, Sharpe Single Index Model, Risk and Return, NIFTY 50, Equity Investment