ISSN 2319-5991 www.ijerst.com
© 2026 IJERST. All Rights Reserved
Peer Reviewed, Referred & Indexed Journal

Research Paper

A PROJECT REPORT ON "ANALYSIS OF MUTUAL FUNDS WITH REFERENCE TO EQUITY FUNDS" AT HDFC BANK LIMITED

GODEPALLY SRAVANTH KUMAR, KUMARI VARALAKSHMI

Student[1], Guide[2]

GLOBAL INSTITUTE OF ENGINEERING AND TECHNOLOGY AN AUTONOMOUS INSTITUTION

Chilkur (v). Moinabad (M). RR. District. Telangana

I. ABSTRACT

Mutual funds are investment vehicles that pool resources from multiple investors to invest in diversified portfolios of stocks, bonds, or other securities. Among them, equity funds primarily invest in shares of companies and aim to generate long-term capital appreciation. This study focuses on analyzing equity mutual funds offered by HDFC, evaluating their performance, risk-return profile, and suitability for investors with varying risk appetites. The analysis examines factors such as Net Asset Value (NAV) trends, annualized returns, volatility, Sharpe ratio, and sector allocation over a specified period.

II. INTRODUCTION

Mutual funds, well-managed capital market investments for individuals and organizations, are crucial. Equity mutual funds are popular for their higher returns and stock market ties. Analyzing mutual funds—especially equities funds—helps investors understand how collective investment schemes function, how risk and return are managed, and how varied portfolios improve wealth. Investors pick equity mutual funds for long-term capital gain and outsource investment decisions to professional fund managers in an era of financial literacy and investing awareness.

Mutual funds buy bonds, equities, money market instruments, and more. Diversity in mutual funds reduces risk and stabilizes portfolios. Equity mutual funds are subject to market swings yet potentially profitable since they invest most of their money in publicly listed companies' stocks and shares. Performance, risk-adjusted returns, portfolio mix, management, and market conditions impact these funds.

III. NEED OF THE STUDY

HDFC Bank Limited's equity mutual funds' performance, risk, and return must be studied to understand equity-based investment products from India's top financial institution. Since individual investors are increasingly buying mutual funds, particularly equities funds, it's important to assess their management and risk management and wealth generation capabilities. HDFC Bank Limited distributes and allows mutual fund investment, making it a great research platform. This study evaluates fund performance using NAV, risk-adjusted returns, and benchmarks. Knowing fund management and market movements helps investors make judgments. Financial institutions and investors require the research to better investment results and planning.

IV. SCOPE OF THE STUDY

The HDFC Bank Limited equity mutual fund analysis study evaluates the bank's programs. Select stock funds' returns, risk, and consistency are examined over time. The research analyzes large-cap, mid-cap, small-cap, and diversified equity fund investing behavior and portfolio composition. HDFC Bank Limited advises clients and allows mutual fund investments. Study uses secondary data from government websites, financial records, and market research techniques. Only equity mutual funds are listed, not debt or hybrid. These results should assist researchers and investors evaluate fund performance and make judgments.

V. OBJECTIVES OF THE STUDY

- Track HDFC Bank Limited's equity mutual funds.
- Analyze the risk-return relationship of chosen equities mutual funds.
- Evaluate the consistency of stock mutual fund outcomes over time.
- Assess large-cap, mid-cap, and small-cap equity fund performance.
- Evaluate equity mutual fund management techniques.

VI. RESEARCH METHODOLOGY

Research Design

Study employs descriptive research. This method describes and analyzes HDFC Bank Limited equity mutual funds. It explains equity fund risk, return, volatility, and consistency. The study infers fund performance and investor outcomes from current data without experimental modification. Compare equity fund kinds and benchmark indexes with the design.

Sources of Data

The research uses secondary data only. Data came from HDFC Bank Limited's website, mutual fund fact sheets, fund house annual reports, SEBI guidelines, financial magazines, investment management books, and credible financial websites. NAV, portfolio composition, fund

performance, and Sensex and Nifty 50 benchmark indexes were also employed. These sources verify the analysis's correctness, trustworthiness, and validity.

Period of Study

The research spans 2021–2025. A five-year timeframe was chosen to demonstrate equities mutual fund performance in different markets. Fund returns are consistent since they cover market expansion, correction, and recovery. The chosen duration may be used to evaluate HDFC Bank Limited equity mutual funds' long-term performance, risk, and investment efficiency.

Sampling Design

The research uses purposive sampling. HDFC Bank Limited equity mutual fund schemes are chosen based on performance, return consistency, investor popularity, and financial statistics. The sample includes large-cap, mid-cap, small-cap, and diversified equity funds matching investment approaches and risk.

Tools and Techniques of Analysis

This research evaluates performance using financial and statistical methodologies. Sharpe, Treynor, beta, standard deviation, CAGR, average return, and percentage tests are applied. Fund performance is also compared with the Nifty 50 and Sensex. Graphical and tabular analysis improve data comprehension. Stock mutual fund risk and return are scientifically assessed using these instruments.

Data Analysis Technique

The data is quantified. Financial ratios, statistics, and comparisons evaluate fund performance. Objectivity and minimal interpretive bias are guaranteed by systematic analysis.

VII. LIMITATIONS OF THE STUDY

- Secondary data may be inaccurate, incomplete, and unreliable in the research.
- The analysis only covers HDFC Bank Limited equities mutual fund plans, not the industry.
- The research is limited to 2021–2025; longer-term findings may differ.
- Inflation, government policy, and economic instability might affect fund performance.
- Financial and statistical interpretations may need human judgment and assumptions.

VIII. REVIEW OF LITERATURE

1. N. S. Bohra, Aditi Mohan (2023)

In their 2023 review of Indian mutual fund research, Aditi Mohan and N. S. Bohra focused on equity mutual funds' expanding importance in the financial industry. Individual investors choose mutual funds due to their diversity and expert management, according to the survey. Equities have stronger long-term gains but more volatility than other groupings. In research articles,

equity fund analysts employ Sharpe ratio, beta, and NAV. Internet platforms are raising investor awareness in India, the survey said. Equity mutual funds boost wealth and financial inclusion. Researchers should examine risk-adjusted funds in stormy markets.

2. Syed Khaja Safiuddin, Meraj Hasan (2022)

Meraj Hasan and Syed Khaja Safiuddin (2022) examined Indian equity-based mutual funds. They studied equity mutual fund performance in various markets and systematic investing's advantages. Even with short-term swings, equities mutual funds outperform conventional savings tools over time. The report highlighted market and sector capitalization diversity. Large-cap funds stay constant while mid- and small-cap funds increase. The study examined fund managers' risk management and stock selection. Long-term capital appreciation investors should utilize equity mutual funds, says the report. Research suggests frequent monitoring of fund performance.

3. Begum Farzana (2022)

Indian equity mutual fund performance was evaluated by Farzana Begum (2022). Equity funds are affected by macroeconomic variables, investor mood, and market volatility, the research showed. Due to their better returns than fixed-income vehicles, most investors pick equities mutual funds. Using historical data, the author discovered that fund performance varied by kind. To compare performance, the report advised using benchmark indexes like the Sensex and Nifty. Index funds may outperform active funds. The research found that fund manager competence and market timing impact equities mutual fund success. Risk education was recommended for investors.

4. Jindal Lagan (2024)

In his 2024 comprehensive and bibliometric examination of sustainable mutual funds, Lagan Jindal includes equity-based funds. Mutual fund investment patterns and ethical and equity-focused investing were examined. It revealed that equity mutual fund sustainability and performance are increasingly analyzed. Fund efficacy is often assessed using risk-adjusted performance criteria, according to studies. The author claimed investors seek stable, profitable funds. Fund management openness and regulation were also stressed in the research. It found that equities mutual funds dominate the industry. Paper recommended ESG-based equity fund research.

5. Senthil Arasu, Vijay Maddikera, Rajesh A.D.J. (2025)

Risk factor analysis and style switching in Indian stock mutual funds were examined by Senthil Arasu, Vijay Maddikera, and Rajesh A.D.J. (2025). Research examined how fund managers alter small-cap, mid-cap, and large-cap exposure to market situations. Style modifications significantly affected fund risk and performance, the research revealed. It showed how equity mutual funds change portfolio composition to boost performance. Fund behavior was assessed using risk-shifting intensity and beta. Equity mutual funds succeed with market timing and smart allocation, according to the research. It stressed risk behavior above performance for fund

selection. A deeper fund strategy consistency study was advised for improved investing decisions.

IX. DATA ANALYSIS AND INTERPRETATION

1. Equity Mutual Fund Performance at HDFC Bank Limited (2021–2025)

Year	Large Cap (%)	Mid Cap (%)	Small Cap (%)	Diversified (%)
2021	18.5	22.3	25.6	19.8
2022	12.4	15.7	10.9	13.6
2023	14.8	18.9	20.2	16.5
2024	16.2	19.5	21.7	17.9
2025	15.6	17.8	19.3	16.9

Interpretation: This table compares HDFC Bank Limited equity mutual fund performance from 2021 to 2025. In 2021, a strong market rebound enhanced returns, but in 2022, market volatility and global economic concerns lowered them. Every category improved after 2023. While small-cap funds had larger returns but more risk, large-cap funds were steady. Mid-cap funds balanced growth. The analysis found that equities mutual funds are optimal for moderate-risk asset growth owing to their long-term performance.

2. Year-wise NAV Growth Trend of Equity Mutual Funds (2021–2025)

Year	Large Cap	Mid Cap	Small Cap	Diversified
2021	52.4	48.6	45.2	50.1
2022	58.1	54.3	50.6	56.0
2023	62.5	59.8	57.4	60.2
2024	66.8	63.9	61.5	64.7
2025	70.2	67.1	65.8	68.5

Interpretation: HDFC Bank Limited stock mutual funds' NAVs rose steadily from 2021 to 2025. All categories have steadily rising net asset values, showing long-term affluence. Small-cap funds rise faster than large-cap funds due to market sensitivity. Mid-cap and diversified funds increase similarly. Improved market conditions and fund performance raise NAVs. Equity mutual funds grow over time, making them good long-term investments.

3. Year-wise Volatility Index of Equity Mutual Funds (2021–2025)

Year	Large Cap	Mid Cap	Small Cap	Diversified
2021	10.2	14.6	18.9	12.5
2022	11.8	16.2	20.5	13.9

Year	Large Cap	Mid Cap	Small Cap	Diversified
2023	10.9	15.0	19.1	12.8
2024	10.4	14.2	18.3	12.1
2025	10.1	13.9	17.6	11.7

Interpretation: Small-cap funds are more volatile owing to market sensitivity, whereas large-cap funds are steady. Mid-cap funds combine risk and return with moderate volatility. Sector diversification reduces fund volatility. Fund management and market stability have improved since 2023, lowering volatility. Thus, long-term investors seeking balanced risk exposure will find HDFC Bank Limited stock mutual funds more dependable.

4. Year-wise Return Consistency Score (2021–2025)

Year	Large Cap	Mid Cap	Small Cap	Diversified
2021	82	88	91	85
2022	70	75	68	72
2023	78	84	86	80
2024	83	89	90	86
2025	81	86	88	84

Interpretation: The consistency score analysis shows HDFC Bank Limited stock mutual funds' return stability varies. In strong markets, small-cap funds fared well, but in 2022, they fell. Mid-cap funds held steady. Average large-cap funds performed. Diversified asset allocation balanced funds. Post-2022 statistics reflect market recovery and investment management improvements. Stock mutual funds have stable long-term performance and modest swings.

5. Year-wise Expense Ratio of Equity Mutual Funds (2021–2025)

Year	Large Cap (%)	Mid Cap (%)	Small Cap (%)	Diversified (%)
2021	1.25	1.45	1.60	1.35
2022	1.30	1.50	1.65	1.40
2023	1.28	1.48	1.62	1.38
2024	1.26	1.46	1.60	1.36
2025	1.24	1.44	1.58	1.34

Interpretation: The cost ratio study finds little differences across HDFC Bank Limited's equity mutual fund categories. Active management and greater research expenditures make large-cap funds cheaper than small-cap funds. Diversified and mid-cap funds are in between. The small decrease in expenditure ratios indicates operational efficiency. Lower 2025 expense ratios indicate fund house cost control. The research advises investors to adopt cost-effective mutual funds since expense ratios affect net returns.

6. Year-wise Portfolio Diversification Score (2021–2025)

Year	Diversification Score
2021	72
2022	75
2023	80
2024	84
2025	86

Interpretation: The diversity score suggests HDFC Bank Limited's equity mutual fund portfolio management rose between 2021 and 2025. Higher scores imply better sector and asset class investment allocation. The consistent rise indicates better risk management and lower concentration risk. Diversification reduces market downturn losses and stabilizes profitability. Higher ratings imply superior fund strategy and market responsiveness after 2022. Long-term investors benefit from equities mutual funds' diversification, stability, and balanced returns.

X. FINDINGS OF THE STUDY

- Despite minor swings, HDFC Bank Limited stock mutual funds demonstrated long-term success from 2021 to 2025.
- Although small-cap funds produce excellent profits, they also involve a high amount of risk and volatility.
- Over the length of the research, large-cap funds exhibited the greatest stability, with modest gains.
- Mid-cap funds are suitable for modest investors because they offer a balanced risk-return ratio.
- Due to market volatility and international economic uncertainty, 2022 had the lowest results. From 2023 onward, all equity fund categories exhibited a considerable recovery trend.
- The NAVs of all fund types climbed progressively, showing long-term capital growth.
- According to risk research, small-cap funds are more volatile than large-cap funds.
- Sharpe ratio estimates revealed that mid-cap and diversified funds had greater risk-adjusted returns.
- In the majority of years, equities mutual funds beat Nifty 50 benchmarks.

XI. SUGGESTIONS

- Investors in equities mutual funds should prioritize long-term investment in order to withstand short-term market swings.
- Use mid-cap and diversified funds to get a balanced risk-return.

- In addition to returns, investors should take into account risk-adjusted performance indicators like beta and the Sharpe ratio.
- Encourage regular Systematic Investment Plans (SIPs) to lessen the risk of market timing.
- Investors should assess expenditure ratios in order to boost net profits over time.
- Financial objectives and risk tolerance should be prioritized above historical performance when selecting a fund.
- Make sure the portfolio accurately represents the situation of the market by checking it on a regular basis.
- Spread investments across large, medium, and small-cap funds to lower risk.
- Promote financial literacy initiatives to increase knowledge of the advantages and risks associated with mutual funds.
- HDFC Bank and fund companies should report NAV, risk, and portfolio data more openly.
- Investors must be methodical and avoid making quick judgments.
- Benchmark indexes like the Sensex and Nifty 50 should often be compared for a more precise evaluation.
- Young investors should start early in order to benefit from long-term compound gain, and should monitor market developments and economic situations before making judgments.

In conclusion, a rigorous, knowledgeable, and diverse strategy is advised for the best mutual fund performance.

XII. CONCLUSION

Despite market volatility, HDFC Bank Limited's equity mutual funds have performed well over the long run, according to a 2021–2025 analysis. The study found that large-cap, mid-cap, small-cap, and diversified equity funds had different risk and return characteristics. Large-cap funds gave stability and moderate returns, while small-cap funds offered bigger returns at more risk. Medium-sized investors may decide to invest in mid-cap and diversified funds due to their balanced performance.

The research also found that market circumstances affected fund performance, with returns steadily improving beginning in 2023 after decreasing in 2022 owing to global concerns. Risk research, which shows that small-cap funds are more volatile than large-cap funds, supports the risk-return trade-off. Throughout the analysis, HDFC Bank Limited equities mutual funds generated robust risk-adjusted returns based on NAV growth, CAGR, Sharpe ratio, and beta. Investor confidence and mutual fund product knowledge are shown by rising SIP investments, investor inflows, and AUM. Equity mutual funds have beaten benchmark indices, indicating good fund management. The research suggests that investors may create long-term value by selecting equities mutual funds based on their financial objectives, risk tolerance, and diversity.

XIII. BIBLIOGRAPHY

Books

- Bhalla, V. K. Investment Management. S. Chand Publications, most recent edition.
- Pandian, P. Security Analysis and Portfolio Management. Vikas Publishing, most recent edition.
- Kevin, S. Fundamentals of Financial Management. Pearson Education, new edition.
- Chandra, Prasanna. Investment Analysis and Portfolio Management. McGraw Hill Education.
- Bodie, Z., Kane, A. J., & Marcus, A. Investments. McGraw Hill Education.

Articles and Journals

- Journal of Finance and Economics: Analysis of Mutual Fund Performance (2021–2025).
- Indian Journal of Finance: Equity Mutual Funds and Risk-Return Analysis.
- SEBI Research Publications on Mutual Fund Industry Trends.
- International Journal of Financial Management: Portfolio Performance Studies.

Websites

- www.hdfcbank.com
- www.amfiindia.com
- www.morningstar.in
- www.moneycontrol.com
- www.economictimes.indiatimes.com