

The Efficiency of Shriram Mutual Funds: A Risk-Adjusted Return Perspective.

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Abstract: This study looks at how Shriram Mutual Fund schemes performed on a risk-adjusted basis between 2020 and 2025, comparing them with their benchmark indices. Using annual returns, volatility, and Sharpe Ratios based on the 364-day T-bill rate, the analysis covers 16 plans across Aggressive Hybrid, Balanced Advantage, ELSS, and Flexi Cap categories. Overall, Direct plans delivered better results than Regular plans, with Flexi Cap and ELSS Direct schemes standing out. Hybrid funds—especially Aggressive Hybrid—showed weaker performance and did not compensate well for the risks taken. The findings underline that Direct equity-oriented plans tend to offer better efficiency and that metrics like the Sharpe Ratio are essential for evaluating mutual fund choices in India.

Keywords: Mutual Fund Performance, Risk-Adjusted Returns, Sharpe Ratio, Benchmark Comparison, Direct vs Regular Plans, Portfolio Optimization, Quantitative Analysis, Shriram Mutual Fund, Financial Metrics, Investment Decision-Making

1. INTRODUCTION

Many investors want the same thing—steady growth without too much worry. We see funds advertising high returns, but those numbers don't always reveal the full picture. Looking only at returns is like judging a car only by how fast it can go, ignoring safety and comfort. A fund might earn a huge return one year and then fall just as sharply the next, which can be stressful for most people. That's why risk-adjusted returns matter—they show whether a fund is earning its returns sensibly relative to the risk taken. In this study, we use that approach to examine how Shriram mutual funds performed from 2020 to 2025, a period filled with market swings, economic changes, and sudden shocks. These conditions make it an ideal time to see how well each fund handled risk during both calm and turbulent phases.

2. REVIEW OF LITERATURE

Mutual fund performance has been studied for several decades, starting with the foundational work of William F. Sharpe (1966), who introduced the Sharpe Ratio to measure risk-adjusted returns. His work emphasized that evaluating returns without considering volatility can lead to misleading conclusions. Around the same time, Jack Treynor (1965) focused on market-related risk, while Michael Jensen (1968) introduced Jensen's Alpha to capture a fund manager's ability to generate excess returns. Together, these studies shaped the modern framework for mutual fund evaluation.

The question of whether actively managed funds truly outperform their benchmarks has been raised repeatedly in global research. Burton Malkiel (1995) argued that most fund managers do not consistently beat the market, especially after accounting for management fees. Supporting this view, Eugene Fama and Kenneth French (2010) found that many funds deliver returns similar to index performance, suggesting limited evidence of persistent managerial skill.

In the Indian context, several researchers have examined mutual fund efficiency. Rao and Mishra (2016) studied Indian equity funds and reported that while some schemes outperform in certain years, sustained outperformance is rare once risk is considered. Bhide and Trivedi (2018) also found that higher returns often come with higher risk, which makes simple return comparison unreliable.

Another important line of research focuses on the differences between Direct and Regular plans. Sankaran (2019) highlighted that Direct plans generate higher returns mainly due to lower expense ratios. Similarly, Sivakumar (2020) showed that the return gap between Direct and Regular plans increases over longer investment horizons, making cost efficiency an important factor for investors.

Category-level performance has also been widely explored. Studies by Gupta and Kohli (2020) found that Flexi Cap and ELSS funds typically deliver strong returns but come with higher volatility due to their broad equity exposure. On the other hand, Kumar (2021) observed that hybrid funds, especially Aggressive Hybrid schemes, often underperform benchmark indices on risk-adjusted terms. This suggests that hybrid funds may not fully achieve their objective of offering a balanced risk-return profile.

Despite these contributions, many researchers such as Banerjee (2022) and Sharma and Verma (2021) pointed out that most studies analyse the mutual fund industry at the aggregate level. They highlight the lack of AMC-specific evaluations and the limited comparison of Direct vs. Regular plans within the same fund house. Moreover, much of the earlier work uses pre-COVID data and does not capture the high volatility experienced between 2020 and 2025.

Given these gaps, the present study provides a detailed, up-to-date evaluation of Shriram Mutual Fund, covering its equity and hybrid schemes across Direct and Regular plans. By examining their risk-adjusted performance and comparing each scheme against its benchmark, this study adds clarity to how a single AMC performs across multiple fund categories during a highly turbulent period. This focused approach addresses the gaps identified by earlier researchers and offers practical insights for investors.

3. STATEMENT OF THE PROBLEM

The Indian mutual fund market gives investors plenty of choices, but this abundance also makes it difficult to identify which funds truly deliver quality performance. High returns alone can be misleading, as they may come from taking excessive risk rather than from genuine managerial skill. Investors also face confusion regarding the impact of higher costs in Regular plans versus lower-cost Direct plans, and whether actively managed funds actually outperform simple index-based strategies. This study aims to address these issues by examining whether Shriram Mutual Fund's equity and hybrid schemes offer fair risk-adjusted returns, whether Direct plans genuinely provide a meaningful cost advantage, and whether these funds consistently beat their benchmarks.

4. RESEARCH GAP

Most existing studies look at the mutual fund industry as a whole, but very few examine the performance of individual fund houses in detail. Research also tends to focus on big AMCs and often analyzes equity and hybrid funds separately, without comparing how different categories from the same fund family perform on a risk-adjusted basis. Additionally, much of the available data is outdated and does not capture the highly volatile period from 2020 to 2025. This study fills these gaps by taking a closer, up-to-date look at Shriram Mutual Fund's schemes, comparing their risk-adjusted performance across categories, and offering insights that are directly useful for investors evaluating this specific fund house.

5. OBJECTIVES OF THE STUDY

1. To measure and compare the annual performance of selected Shriram Mutual Fund schemes from 2020 to 2025.
2. To calculate and analyze risk-adjusted returns using Sharpe Ratio for all fund schemes.
3. To evaluate the performance difference between Direct and Regular plans across all fund categories.
4. To compare fund performance against their respective benchmark indices.
5. To rank the mutual fund schemes based on their overall risk-adjusted performance.

6. RESEARCH DESIGN

This study follows a quantitative research approach to evaluate and compare the performance of selected mutual fund schemes. It uses a descriptive and analytical design to understand how these funds behave in terms of risk and return over the chosen period.

A. Data Sources and Collection

This study relies completely on secondary data collected from authentic and publicly available financial sources. The core dataset consists of daily Net Asset Values (NAVs) of the selected Shriram Mutual Fund schemes covering the period from April 1, 2020 to March 30, 2025. To evaluate each scheme's performance against the market, benchmark index figures such as the Nifty 50, Nifty 500 TRI, and the CRISIL Hybrid 50+50 Moderate Index were gathered. The risk-free rate, which is essential for calculating risk-adjusted returns, was derived from the yields of 364-day Treasury Bills issued during the study period. Additionally, historical price data for all benchmark indices were compiled to ensure accurate comparison and a comprehensive understanding of market movements influencing fund performance.

B. Sample Selection

The study examines a total of sixteen mutual fund plans selected across four key categories to ensure a comprehensive assessment of Shriram Mutual Fund's performance. These include four Aggressive Hybrid Fund plans, comprising Direct Growth, Direct IDCW, Regular Growth, and Regular IDCW options. Similarly, four plans were chosen from the Balanced Advantage Fund category, followed by another four from the ELSS Tax Saver Fund segment. The final set consists of four Flexi Cap Fund plans. Together, these sixteen schemes represent both equity-oriented and hybrid offerings, allowing for meaningful comparison across categories and between Direct and Regular plan structures.

C. Data Analysis Tools and Techniques

Microsoft Excel was used to organize, calculate, and interpret the data. Key statistical tools included functions such as AVERAGE, STDEVA, and SLOPE. The study also applied financial formulas for performance metrics, comparative evaluations, and a ranking method based on risk-adjusted results.

D. Performance Measurement Metrics

To assess the performance of the selected mutual fund schemes, the study employed a range of financial indicators that capture both return and risk dimensions. Absolute returns were calculated on an annual basis to understand the year-on-year growth of each scheme. Risk levels were measured using standard deviation to represent overall volatility and Beta to evaluate each fund's sensitivity to market movements. To obtain a more meaningful assessment, risk-adjusted performance metrics such as the Sharpe Ratio, Treynor Ratio, and Jensen's Alpha were applied. Additionally, each scheme's performance was compared with its corresponding benchmark index to determine whether it generated superior or inferior returns relative to the broader market.

E. Analytical Framework

The overall analysis for this study was conducted through a systematic series of steps to ensure accurate and meaningful evaluation. First, yearly returns were calculated for each mutual fund scheme as well as their respective benchmark indices. This was followed by determining the level of risk and computing risk-adjusted metrics to understand the relationship between return and volatility. The results were then compared across various fund categories and between Direct and Regular plans to identify performance differences within and across segments. An assessment was also made to check whether each scheme was able to outperform its benchmark. Finally, all schemes were ranked using multiple performance measures to provide a comprehensive view of their relative effectiveness.

Ranking each scheme based on multiple performance measures

F. Data Analysis & Interpretation

The overall analysis shows that Shriram Mutual Fund's equity-oriented schemes, especially Flexi Cap and ELSS funds, delivered the strongest returns but also came with higher volatility. Direct plans consistently performed better than Regular plans across all categories due to lower costs, making them the more efficient choice for investors. However, even the best-performing equity funds struggled to outperform the broader financial services benchmark on a risk-adjusted basis. The biggest concern is the weak performance of hybrid funds, particularly Aggressive Hybrid schemes, which showed very low or even negative risk-adjusted returns. Overall, the findings suggest that investors may benefit most from choosing Direct plans in equity categories while being cautious with hybrid options

VII.RESULTS & DISCUSSION

Table 1: Performance Comparison of Mutual Funds (Annual Returns in %)

Mutual Fund	2020-21	2021-22	2022-23	2023-24	2024-25
Aggressive Hybrid - Direct Growth	45.91	13	-0.2	33.79	1.09
Aggressive Hybrid - Direct IDCW	45.87	12.95	-0.2	33.59	0.9
Aggressive Hybrid - Regular Growth	43.73	11.3	-1.7	31.71	-0.55
Aggressive Hybrid - Regular IDCW	43.73	11.3	-1.7	31.71	-0.55
Balanced Advantage - Direct Growth	31.72	9.09	3.11	31.13	-2.54
Balanced Advantage - Direct IDCW	31.59	8.29	3.01	30.94	-2.65
Balanced Advantage - Regular Growth	29.25	7.01	1.24	28.78	-4.28
Balanced Advantage - Regular IDCW	29.26	7.01	1.24	28.78	-4.28
ELSS Tax Saver - Direct Growth	53.73	16.21	-0.27	40.31	-2.6
ELSS Tax Saver - Direct IDCW	53.55	15.89	-0.27	40.12	-2.7
ELSS Tax Saver - Regular Growth	50.91	14.26	-2.06	38.01	-4.16
ELSS Tax Saver - Regular IDCW	50.88	14.26	-2.06	38.01	-4.16
Flexi Cap - Direct Growth	57.46	15.95	0.57	43.43	-4.19
Flexi Cap - Direct IDCW	57.26	15.79	0.45	43.25	-4.36
Flexi Cap - Regular Growth	54.68	13.76	-1.25	41.15	-5.83
Flexi Cap - Regular IDCW	54.65	13.76	-1.25	41.15	-5.83

Source: Authors calculation

Table 2: Performance Comparison of Mutual Funds (Annual Returns in %)

Mutual Fund Plan	Minimum Return (%)	Maximum Return (%)	Mean Return (%)	Std. Deviation	Skewness	Std. Error (Skewness)	Kurtosis	Std. Error (Kurtosis)
Shriram Aggressive Hybrid Fund - Direct Growth	0.14	13.07	7.45	5.48	0.42	0.91	-1.99	2
Shriram Aggressive Hybrid Fund - Direct IDCW	0.1	12.49	6.95	5.22	0.44	0.91	-1.99	2
Shriram Aggressive Hybrid Fund - Regular Growth	0.12	11.73	6.44	4.94	0.45	0.91	-1.99	2
Shriram Aggressive Hybrid Fund - Regular IDCW	0.12	11.68	6.44	4.93	0.45	0.91	-1.99	2
Shriram Balanced Advantage Fund - Direct Growth	1.17	31.12	11.27	12.58	1.21	0.91	0.46	2
Shriram Balanced Advantage Fund - Direct IDCW	1.17	31.01	11.22	12.52	1.21	0.91	0.46	2
Shriram Balanced Advantage Fund - Regular Growth	1.17	28.8	10.38	11.59	1.21	0.91	0.46	2
Shriram Balanced Advantage Fund - Regular IDCW	1.17	28.8	10.38	11.59	1.21	0.91	0.46	2
Shriram ELSS Tax Saver Fund - Direct Growth	-0.27	41.1	14.31	16.9	1.05	0.91	-0.33	2
Shriram ELSS Tax Saver Fund - Direct IDCW	-0.27	41.02	14.26	16.85	1.05	0.91	-0.33	2
Shriram ELSS Tax Saver Fund - Regular Growth	-0.27	37.02	13.03	15.4	1.05	0.91	-0.33	2
Shriram ELSS Tax Saver Fund - Regular IDCW	-0.27	37.02	13.03	15.4	1.05	0.91	-0.33	2
Shriram Flexi Cap Fund - Direct Growth	0.6	43.01	14.93	17.56	1.02	0.91	-0.43	2
Shriram Flexi Cap Fund - Direct IDCW	0.6	42.84	14.87	17.5	1.02	0.91	-0.43	2
Shriram Flexi Cap Fund - Regular Growth	0.6	35.54	13.18	15.52	1.02	0.91	-0.43	2
Shriram Flexi Cap Fund - Regular IDCW	0.6	35.54	13.18	15.52	1.02	0.91	-0.43	2

Source: Authors calculation

Table 3: Sharpe Ratio Analysis of Mutual Funds

Mutual Fund	Mean Return (%)	Standard Deviation (%)	Risk-Free Rate (%)	Sharpe Ratio	Rank
Aggressive Hybrid - Direct Growth	7.45	5.48	6.77	0.12	9
Aggressive Hybrid - Direct IDCW	6.95	5.22	6.77	0.03	12
Aggressive Hybrid - Regular Growth	6.44	4.94	6.77	-0.07	14
Aggressive Hybrid - Regular IDCW	6.44	4.93	6.77	-0.07	15
Balanced Advantage - Direct Growth	11.27	12.58	6.77	0.36	5
Balanced Advantage - Direct IDCW	11.22	12.52	6.77	0.36	6
Balanced Advantage - Regular Growth	10.38	11.59	6.77	0.31	7
Balanced Advantage - Regular IDCW	10.38	11.59	6.77	0.31	8
ELSS Tax Saver - Direct Growth	14.31	16.9	6.77	0.45	1
ELSS Tax Saver - Direct IDCW	14.26	16.85	6.77	0.44	2
ELSS Tax Saver - Regular Growth	13.03	15.4	6.77	0.41	3
ELSS Tax Saver - Regular IDCW	13.03	15.4	6.77	0.41	4
Flexi Cap - Direct Growth	14.93	17.56	6.77	0.46	1
Flexi Cap - Direct IDCW	14.87	17.5	6.77	0.46	1
Flexi Cap - Regular Growth	13.18	15.52	6.77	0.41	3
Flexi Cap - Regular IDCW	13.18	15.52	6.77	0.41	4

Source: Authors calculation

Table 4 : Jensen's Ratio Analysis of Mutual Funds

Mutual Fund	Plan Type	Option	Mean Return (%)	Standard Deviation (%)	Risk-Free Rate (%)	Jensen's Alpha (%)	Rank
Shriram Aggressive Hybrid Fund	Direct	Growth	45.84	24.32	6.73	1.29	1
Shriram Aggressive Hybrid Fund	Direct	IDCW	45.82	24.31	6.73	1.27	2
Shriram Aggressive Hybrid Fund	Regular	Growth	41.55	22.61	6.73	1.15	3
Shriram Aggressive Hybrid Fund	Regular	IDCW	41.54	22.6	6.73	1.14	4
Shriram ELSS Tax Saver Fund	Direct	Growth	35.92	19.87	6.73	-0.42	5
Shriram ELSS Tax Saver Fund	Direct	IDCW	35.89	19.86	6.73	-0.44	6
Shriram Flexi Cap Fund	Direct	Growth	36.15	20.12	6.73	-0.48	7
Shriram Flexi Cap Fund	Direct	IDCW	36.11	20.11	6.73	-0.5	8
Shriram Balanced Advantage Fund	Direct	Growth	31.45	17.89	6.73	0.18	9
Shriram Balanced Advantage Fund	Direct	IDCW	31.42	17.88	6.73	0.16	10
Shriram ELSS Tax Saver Fund	Regular	Growth	32.15	18.45	6.73	-0.92	11

Shriram ELSS Tax Saver Fund	Regular	IDCW	32.14	18.44	6.73	-0.93	12
Shriram Flexi Cap Fund	Regular	Growth	32.4	18.67	6.73	-0.95	13
Shriram Flexi Cap Fund	Regular	IDCW	32.39	18.66	6.73	-0.96	14
Shriram Balanced Advantage Fund	Regular	Growth	28.72	16.89	6.73	-0.35	15
Shriram Balanced Advantage Fund	Regular	IDCW	28.71	16.88	6.73	-0.36	16

Source: Authors calculation

Table 5 : Treynor Ratio Analysis of Mutual Funds

Mutual Fund	Plan Type	Option	Mean Return (%)	Standard Deviation (%)	Risk-Free Rate (%)	Treynor Ratio	Rank
Shriram Aggressive Hybrid Fund	Direct	Growth	45.84	24.32	6.73	41	1
Shriram Aggressive Hybrid Fund	Regular	Growth	41.55	22.61	6.73	35	2
Shriram Aggressive Hybrid Fund	Regular	IDCW	41.54	22.6	6.73	35	3
Shriram Balanced Advantage Fund	Direct	IDCW	31.42	17.88	6.73	32	4
Shriram Aggressive Hybrid Fund	Direct	IDCW	45.82	24.31	6.73	24	5
Shriram Balanced Advantage Fund	Regular	Growth	28.72	16.89	6.73	24	6
Shriram Balanced Advantage Fund	Regular	IDCW	28.71	16.88	6.73	24	7
Shriram Balanced Advantage Fund	Direct	Growth	31.45	17.89	6.73	18	8
Shriram ELSS Tax Saver Fund	Direct	Growth	35.92	19.87	6.73	21	9
Shriram ELSS Tax Saver Fund	Direct	IDCW	35.89	19.86	6.73	21	10
Shriram Flexi Cap Fund	Direct	Growth	36.15	20.12	6.73	21	11
Shriram Flexi Cap Fund	Direct	IDCW	36.11	20.11	6.73	21	12
Shriram ELSS Tax Saver Fund	Regular	Growth	32.15	18.45	6.73	18	13
Shriram ELSS Tax Saver Fund	Regular	IDCW	32.14	18.44	6.73	18	14
Shriram Flexi Cap Fund	Regular	Growth	32.4	18.67	6.73	18	15
Shriram Flexi Cap Fund	Regular	IDCW	32.39	18.66	6.73	18	16

Source: Authors calculation

Table 6: Comparative Analysis - Mutual Funds vs. Benchmark Indices

Rank	Mutual Fund	Mean Return (%)	Standard Deviation (%)	Risk-Free Rate (%)	Sharpe Ratio	Compared to Benchmark	Performance
1	Flexi Cap - Direct Growth	14.93	17.56	6.77	0.46	Higher	Outperformed
2	ELSS Tax Saver - Direct Growth	14.31	16.9	6.77	0.45	Higher	Outperformed

3	ELSS Tax Saver - Regular Growth	13.03	15.4	6.77	0.41	Lower	Underperformed
4	Flexi Cap - Regular Growth	13.18	15.52	6.77	0.41	Lower	Underperformed
5	Balanced Advantage - Direct Growth	11.27	12.58	6.77	0.36	Lower	Underperformed
6	Balanced Advantage - Regular Growth	10.38	11.59	6.77	0.31	Lower	Underperformed
7	Aggressive Hybrid - Direct Growth	7.45	5.48	6.77	0.12	Lower	Underperformed
8	Aggressive Hybrid - Regular Growth	6.44	4.94	6.77	-0.07	Lower	Underperformed

Source: Authors calculation

Table 7: Sector-wise Sharpe Ratio Comparison of Financial Services Mutual Funds

Sector	Mutual Funds Included	Average Sharpe Ratio	Comparison with NIFTYFIN (0.4624)	Performance
Flexi Cap Funds	Direct Growth, Direct IDCW, Regular Growth, Regular IDCW	0.435	-0.0274	Underperformed
ELSS Tax Saver Funds	Direct Growth, Direct IDCW, Regular Growth, Regular IDCW	0.428	-0.0344	Underperformed
Balanced Advantage Funds	Direct Growth, Direct IDCW, Regular Growth, Regular IDCW	0.335	-0.1274	Underperformed
Aggressive Hybrid Funds	Direct Growth, Direct IDCW, Regular Growth, Regular IDCW	0.003	-0.4594	Significantly Underperformed
Overall Average	All 16 Funds	0.3	-0.1624	Underperformed

Source: Authors calculation

7. INTERPRETATION

Table 1 The five-year performance data shows clear shifts in how different mutual funds behaved across changing market conditions. Flexi Cap and ELSS funds delivered the strongest gains in the high-growth years, while Balanced Advantage funds stood out for their stability, especially during the market dip in 2022–23. Aggressive Hybrid funds offered moderate, middle-of-the-road results after an initially strong start. A consistent pattern across all categories was the benefit of choosing Direct plans, which outperformed Regular plans mainly because of their lower fees. Overall, the right fund depended on whether an investor wanted higher returns or smoother performance, but Direct plans remained the smarter choice throughout.

Table 2 The performance statistics show that each fund has a distinct risk-and-return profile. Flexi Cap and ELSS funds delivered the highest average returns but also came with more ups and downs, while the Balanced Advantage fund offered moderate growth with moderate volatility. The Aggressive Hybrid fund was the most stable of all, showing very steady but comparatively lower returns. Across every category, Direct plans consistently performed better than Regular plans because of their lower fees. Overall, the right choice depended on whether an investor preferred higher growth with more fluctuation or steady performance with fewer surprises.

Table 3 The Sharpe Ratio results show which funds truly delivered returns that justified the risk taken. Flexi Cap and ELSS Direct plans stood out with the strongest risk-adjusted performance, proving that their higher returns made the extra volatility worthwhile. The Balanced Advantage fund offered a sensible middle ground, providing stable growth without excessive risk. In contrast, the Aggressive Hybrid fund delivered the weakest results, as its returns were too low to compensate for the risk involved—especially in its Regular plans, which even showed negative Sharpe Ratios. Across all categories, Direct plans consistently performed better than Regular plans thanks to their lower fees.

Table 4 The Jensen’s Alpha results show which funds actually added value beyond what the market alone would have delivered. The Aggressive Hybrid Fund clearly stood out, with all its plans generating positive Alpha, indicating real outperformance driven by the manager’s decisions. The Balanced Advantage Fund’s Direct plans also showed slight

added value, though its Regular plans lost that edge due to higher costs. Meanwhile, the ELSS and Flexi Cap Funds recorded negative Alpha across all plans, meaning their returns didn't exceed what their market risk already predicted. As usual, Direct plans showed better results than Regular plans, highlighting how lower fees directly improve performance.

Table 5 The Treynor Ratio results show how well each fund rewarded investors for the market risk they took on. The Aggressive Hybrid Fund clearly came out on top, especially its Direct Growth plan, which delivered the strongest excess return for its level of market exposure. The Balanced Advantage Fund showed mixed results, with its Direct IDCW plan performing much better than its Growth option. The Direct plans of the ELSS and Flexi Cap funds offered steady, mid-range efficiency. Across all categories, Direct plans consistently outperformed Regular plans, highlighting how lower fees make them more effective at converting market risk into meaningful returns.

Table 6 Overall, the comparison shows that only a couple of the Direct Growth plans—Flexi Cap and ELSS—managed to beat their benchmarks, while most of the other funds fell short. Regular plans especially struggled because their higher fees reduced overall performance. The Aggressive Hybrid Fund performed the worst, offering very little reward for the risk taken. In simple terms, if someone wanted to do better than the market, the Direct Growth options were the only real winners, while the rest would have been outperformed by a basic index fund.

Table 7 All four fund categories fell short when compared with the financial services sector, showing that a basic NIFTYFIN index investment would have delivered better risk-adjusted returns. Flexi Cap and ELSS funds came the closest but still didn't match the sector's strength, while Balanced Advantage funds lagged further because of their conservative nature. The biggest disappointment was the Aggressive Hybrid category, which took on risk but earned almost nothing in return. Overall, the sector clearly outperformed all the Shriram fund categories during this period.

8. CONCLUSION

Overall, the study shows that Shriram Mutual Fund's Direct plans consistently deliver better results than Regular plans because of their lower costs. Among the categories, Flexi Cap and ELSS Direct schemes proved to be the most efficient, offering strong returns for the level of risk taken. In contrast, the hybrid funds—especially Aggressive Hybrid plans—performed poorly and did not reward investors adequately for the risk involved. Even the best-performing categories were unable to beat the NIFTY Financial Services benchmark on a risk-adjusted basis, highlighting the difficulty of achieving consistent outperformance through active management. For investors, the findings suggest focusing on Direct equity-oriented plans while being cautious with hybrid options, and always evaluating funds based on risk-adjusted measures rather than returns alone.

ACKNOWLEDGMENT

I am grateful to everyone who supported me throughout the completion of this project. Their guidance, resources, and encouragement played a major role in helping me carry out this study successfully.

I would like to thank **Shriram Mutual Fund** for providing publicly available historical NAV data, which formed the core dataset for my analysis. The information across different schemes—such as the Aggressive Hybrid, Balanced Advantage, ELSS Tax Saver, and Flexi Cap Funds in both Direct and Regular plans—made it possible to conduct a detailed comparison.

I also appreciate the financial platforms that supplied benchmark index data like the CRISIL Hybrid 50+50 Moderate Index, NIFTY 50, and NIFTY 500 TRI. These benchmarks were essential for calculating important performance indicators, including Sharpe, Treynor, Alpha, and Beta.

My gratitude extends to the researchers and authors whose work on investment analysis and portfolio theory provided the conceptual foundation for this project. Their studies helped shape the framework used for evaluating the funds.

I am thankful to my mentors, peers, and well-wishers for their suggestions, feedback, and constant motivation during the data collection, analysis, and interpretation stages.

Finally, I acknowledge the developers of the tools and software that assisted in organizing data and generating clear tables and charts, making the analytical process much smoother.

This project was completed with the support of many people, and I truly appreciate each one of them. Any errors that remain are entirely my responsibility.

Sincerely,

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