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Performance Evaluation of Equity Linked Saving Schemes: An Evidence from India

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Performance Evaluation of Equity Linked Saving Schemes: An Evidence from India

Dr. Khalid Ashraf Chisti^α & Mr. Amir Rahman^σ

Abstract- This paper tries to evaluate the performance of top 10 tax saving mutual fund schemes operating in India for a period of 10 years which ranges from 1-04-07 to 31-03-17. Performance has been evaluated on the basis of annual returns and compared to benchmark index of NIFTY-50, various tools like average return, beta, Sharpe ratio, Treynors ratio and Jensen alpha have been used for the study. The study concludes that all ELSS funds have outperformed the market index in terms of average return and are risky except a few schemes; all the funds except Aditya Birla sunlife tax relief 96 have performed more consistently than benchmark index. Also, axis fund is the most reliable scheme in market; moreover, all the funds have aggressive relationship with market.

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I. INTRODUCTION

Saving is that part of total income which is sacrificed today for some future reward. The investment of saving becomes part of capital formation of a country which is an important indicator of sustained economic development of an economy. One may invest his/her savings into safer modes of investment like Bank Deposits, Government Securities etc. carrying a low return while as one may invest in stocks of companies where risk is high return's too are comparatively high. Meanwhile, there is another class of investor who invest primarily to save a part of their taxable income along with other objectives like Liquidity, Return etc. Therefore, every year Assesses consult tax professionals and portfolio managers to plan their income in most productive manner. But to average investors such services are Luxury to afford. These investors have now found a good abode under mutual fund tax saving schemes. Sec80(c) of income tax act 1961 provides an assessee deduction from his/her taxable income of 1,50,000 by investing in various tax savings instruments like Public Provident Fund (PPF), National Saving Certificates (NSE) in bank deposits and tax savings, Mutual funds popularly known as "ELSS" (Equity Linked Saving Scheme) compared to other, ELSS has a shortest lock in period of 3 years while its 15 years for Public Provident Funds (PPF) and 6 years for National Saving Certificates (NSC). ELSS invest majority

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of corpus in Equity market therefore is an "Indirect" route for investors to participate in stocks of High performing companies and certainty can provide better returns for longer period compared other forms of tax savings instruments. The special benefits which a person gets is Mutual fund company does not invest "All Eggs in one Basket" i.e they don't invest in single scrip rather ensures diversification which reduces the riskiness of investment. Moreover, Mutual funds are managed by Professional managers giving a feel of Relax or safety to the average investors. At the Same time, investing through the Mutual is less expensive as the benefits of economies of scale are passed on to the investor.

Therefore, ELSS is a Mutual funds Tax Saving scheme which invests. Its major amounts of portion in equity shares of a company. Thus, allowing investors to trade in stock market without facing complexities. But Mutual funds do not give assured returns, their return are usually dependent upon the performance of the companies. If a company is doing well they get good return. if investments has been made in small cap companies or companies which are not doing well then certainty investors will get hick ups in their rational. If there is sudden new regulations in the industry that too will affect its returns and expose them to different and expose them to different risks like fund risk market risk etc. In this project, an attempt has been made to evaluate the performance of ELSS with respect to benchmark index of nifty 50.

II. REVIEW OF THE LITERATURE

Early work done on mutual fund includes the studies of Treynors (1965) who used the expected rate of return to measure the performance of fund to that of suitable average. Sharpe (1966) evaluated the performance of mutual funds capital market model substituting the concept of expected returns. Jensen (1968) measured the performance of mutual fund with a model that that statistically measured the fund performance relative to benchmark. The studies of Sharpe & Jensen evaluated that mutual funds underperformed market indexes & suggest that the returns weren't sufficient to compensate investors for the diverse mutual fund charges. Further, an attempt has been made here to present the review of various studies pertaining to my project. Literature review can be broadly divided into two aspects:

a) *Studies Relating to Growth of Mutual Funds*

Panagrahi (1996) Assessed the growth of mutual fund industry from 1964-65 to 1994-1995 by using tools like average growth rate, company wise and scheme wise distribution of investable funds, pattern of investment of public sector mutual funds and income and expenses of public sector mutual funds. The study concluded that Mutual fund collections as a proportion of aggregate bank deposits constantly rose from meagre 8.78 per cent in 1991-92 to 15.91 per cent in 1994-95 and Expenses as a portion of income generated also rose from 2.27 per cent to 4.25 per cent during the study period. The study further concluded that there is significant presence of institutional investors in it notwithstanding the fact that around 60 to 70 % of middle class households in INDIA are the owners of mutual fund units. The corresponding figures in US are at 72 per cent. An analysis of the distribution of household's financial assets in INDIA and USA for 1992 shows that while 38 per cent of total financial assets of total households in us goes to mutual fund, 17.8 per cent of gross savings in financial assets of Indian households find deployment in units of unit trust of India (UTI) and shares and debentures.

Ms Archana (2014) studied the growth of mutual fund industry in India using various tools like assets under management (AUM), resource mobilized and the transactions done by the mutual fund industry in the stock market for the period of 7 years from 1-4-07 to 31-07-2014. The study concluded that The total assets under management of mutual fund show a gradual increase in 2007 and in 2008 but in 2009 there is a decrease of 83%, again the year 2010 showed a increase, followed by a decrease in 2011 and 2012, but the market boomed in the year 2013 and 2014 which showed a positive sign. It was further found that majority of the resources mobilized by mutual funds are through income debt schemes which indicates more efforts have to be made by mutual funds to create awareness regarding the earning potential of the equity/growth schemes. Moreover, it was suggested that mutual fund companies should come up with innovative schemes to meet the demand of retail investors.

Chauhan & Adhav (2015) analysed the latest trends in mutual fund industry in India and also compared the mutual fund industry in India with global mutual fund industry for the period of 10 years from 2002-03 to 2012-2013 by using tools like foreign institutional investors (FII) investment for portfolio investment, growth in no of schemes and worldwide net assets of mutual funds. The study concluded that the European mutual fund market with \$8.23 trillion in AUM accounted for 31% of the mutual fund assets worldwide at the end of the year 2012 while Africa and Asia/pacific manages only 13% with \$3.4 trillion AUM and of these India only has 0.43% share in mutual fund market. The Indian mutual fund industry is in its growth phase and

possesses a tremendous scope for development which is evident for the international comparison. They concluded that the main reasons for poor growth of mutual fund industry in India are the lack of awareness for mutual funds and lack of trust on mutual fund companies and policy makers in investors. Further, it was suggested that strong regulatory framework, greater transparency, increased innovations, better services to the investors, liquidity and higher returns could make mutual fund schemes more popular and investor friendly in India.

Poonam Gautam Sharma (2016) Presented the attributes of mutual fund industry in India, its development since inception with UTI, entry of public sector, private sector and foreign enterprises and various schemes offered by companies especially started to meet small investors needs for a period from 01- 04-1965 to 31-03-2016 by using the tools like assets under management (AUM), AUM to gross domestic product (GDP) ratio, share of MFS in household gross financial savings, cumulative growth in no of schemes and asset management companies (AMC). The study concluded that the mutual fund industry in India is expected a tremendous growth in the years to come. The security exchange board of India (SEBI) regulatory framework contributed a lot in Indian mutual fund industry but still there are some matters to work on disclosure and insolvency. Further it was concluded that mutual funds aren't recognized as preferable investment in investor's communities. Overall; it was concluded that mutual fund industry has to make efforts towards the stable growth and sustained profit rather than short term growth.

b) *Studies Relating to Performance of Equity Linked Saving Schemes (ELSS)*

Suminder & Smiti (2011) Evaluated the performance of 5 growth oriented mutual funds based on asset management companies (AMC) who have maintained highest level of AUM throughout the study period from 2000 to 2010. 5 schemes comprises of 2 public sector mutual funds, 2 private sector mutual funds and 1 purely private sector mutual fund. The study concluded that growth schemes have seen a progress & open ended growth schemes are popular than those close ended schemes, this may be because quick bucks by investing in them & exit from market. Further, private sector has performed to its counterparts in case of annual net asset value (NAV), growth percentage, total return, beta, risk adjusted CAGR while public sector has performed better in case of standard deviation, Sharpe's ratio, expense ratio & Treynors ratio.

Santhi & Gurnath (2012) Analysed the performance of 32 growth oriented open ended equity linked schemes using CNX nifty as benchmark index. The study used risk adjusted performance measure of Sharpe, Treynor & Jensen. The study related to the

period from 2006-07 to 2011-2012. From these measures it was found that there are certain schemes which underperform the benchmark index that show a strong negative risk-return relation while there are certain schemes which outperform then the benchmark index with positive risk-return relationship. it further concluded that all the tax saving mutual funds is having volatility but not all the schemes volatility is less then benchmark CNX nifty.

Rajib - Deb (2013) Analysed the performance of 5 tax saving mutual fund schemes of 5 different companies for a period from 1-07-07 to 01-07-11. Only tax gain growth type schemes have been selected, dividend types aren't considered for study so as to help investors to know which tax gain scheme is performing well from the comparative analysis of the scheme. From the study it is evident that all funds are not performing well in Mutual Fund industry in the last 5(five) years. moreover, the study found that HDFC long term advantage (G) is best performing & ranked at 1(one) in Sharpe's index whereas UTI equity tax saving plan (G) is worst in performing and ranked at 5 (five). In between these 2 (two) schemes, Canara Robeco Equity Tax Saver (G), Franklin India Shield(G) and SBI Magnum Tax Gain Scheme(G) are ranked at no. 2(two), 3(three), and 4(four) respectively. It shows the comparative performance scheme. So investors should give his preference in the above sequence for investments in any fund.

Dr. Namita Srivastava (2014) Evaluated 9 ELSS funds against 5 variables like risk free rate of return, total risk inherent to the individual funds, beta of the funds, market return and market risk for a period from 1993 to 2012. The study concluded that sample ELSS funds are able to provide better return than any return on risk free securities but unable to outperform the benchmark portfolio in terms of average return. There is significant relationship between fund return, fund risk and market return through analysis of variance (ANOVA) test justify the fact that returns and risk are co - related with each other. The results suggest that all the explanatory variables have their impact on the fund return and fund performance is affected by changes in these variables. The study further confirms that efficient management and diversification of fund investment as well as stock market trend and moment plays an important role in defining ELSS Fund performance.

Jitender & Aanindra (2015) Evaluated 5 tax saving mutual fund schemes (LIC nomura mutual fund tax plan, ICICI pro tax plan, HDFC tax saver, SBI magnum tax gain and Franklin India tax shield) reflecting the representation of 2 from public sector and 3 from private sector for a period of 10 years from 2004-05 to 2013-14 . It was concluded that private sector tax saving mutual fund schemes outperformed compared to its market returns while the performance of public sector tax saving mutual fund schemes wasn't satisfactory. In

terms of risk, HDFC Tax Saver fund return is more volatile compared to the market return. In the public sector, LIC Nomura MF Tax Plan and SBI Magnum Tax Gain are less volatile then the market risk in terms of relative performance by using Sharpe's index, treynors index and Jensen index, it was observed private sector performed well in mutual industry. Whereas, public sector couldn't perform well.. Further, in examining the relationship between fund return and market return, it is observed that there is no linear relationship between fund return and market return. This indicates that fund returns are not statistically significant compare to market return.

Mohanasundari, Vetrival & Levanya (2016) Analysed various tax saving mutual fund investment avenues available to investors. The study found that past performance of the funds doesn't get reflected in future. Further, the study shows all the tax saving mutual funds is having volatility but not all schemes volatility is less than benchmark S&P CNX nifty. Moreover it revealed that ELSS funds over more than 20 years of its existence had not been very popular with the retail investors as a tax saving investment option. It was concluded that mutual fund industry is in its growth phase and possesses a tremendous scope for development. The main reasons for poor growth of mutual fund industry in India are the lack of awareness for mutual funds and lack of trust on mutual fund companies and policy makers. The fluctuations in the economy and uncertainty in the financial market worldwide has intensified the competition and created a lot of pressure on the mutual fund industry to perform.

Aashish Jain (2017) made an attempt to analyse the performance of a few selected private sector Growth schemes selected on the basis of their NAVs and returns recorded for the period of three years starting from 1 April 2014 to 31 march 2017. the study used Treynors ratio, Sharpe and Jensen ratios for evaluating the performance of selected schemes like Kotak tax saver (g), reliance tax saver (g), dsp-br tax fund ,axis long term equity fund and Franklin India tax shield. The study concluded that reliance tax saver (g) gave highest return while dsp - br tax saver fund (g) gave excess return with respect to total portfolio and it's also less risky amongst the selected schemes. overall, dsp-br tax fund was the best tax saving mutual fund scheme among the all.

III. OBJECTIVE AND RESEARCH METHODOLOGY

After reviewing the relevant literature following objectives were framed for the current study.

- a) *Objectives*
 1. To evaluate and compare the various Elss.
 2. To examine the relative performance of ELSS with benchmark index of nifty 50.

b) Hypothesis

H_0 : There is no statistical significant difference between ELSS and NSE index returns.

H_1 : There is statistical significant difference between ELSS and NSE index returns.

IV. RESEARCH METHODOLOGY

a) Sample of Study

The total population consists of 64 tax saving mutual fund schemes (Elss) offered by various mutual fund companies, out of which following top 10 Elss schemes have been selected for this study based on their assets under management (AUM) as on 1st January 2018:

Table I

Ranking	Schemes	Aum (Cr)
1	Axis Long Term Equity Fund	15408.41
2	Reliance Tax Saver Fund	10156.98
3	HDFC Tax Saver Fund	7123.63
4	SBI Magnum Tax Gain Scheme-93	6270.42
5	ICICI Prudential Long Term Equity Fund	4840.96
6	Aditya Birla Sunlife Tax Relief 96	4349.48
7	DSP Blackrock Tax Saver Fund	3571.29
8	Franklin India Tax Shield	3416.58
9	L&T Tax Advantage Fund	2762.38
10	Sundaram Diversified Equity Fund	2391.4

Source: Mutual fund India

b) Data Source

This study is based on secondary data. The returns of funds have been collected from factsheets, reports and websites. For benchmark nifty 50 has been selected and its returns have been collected from national stock exchange (NSE) of India. Also, a risk free rate of return of 7% has been selected of post office fixed deposits and same has been collected from post office of India.

c) Periodicity of Study

This study is spread over the period of ten (10) years from 1st April 2007 to 31st March 2017.

d) Tools used

Standard Deviation: Standard measures how volatile or risky the investment is. Standard deviation of a fund indicates how much the actual returns of a fund have deviated from the expected return. A fund with a high value of standard deviation indicates greater volatility than a fund with low value of standard deviation. It can be calculated as:

$$\sigma = \sqrt{\frac{\sum x - \bar{x}^2}{n}}$$

Where,

X = Returns generated throughout the year.

$\bar{x}$ = Average return.

N = No. of years.

Coefficient of Variation: it's a relative measure of dispersion which is used for studying dispersion in more than one series (companies). A series or company

which has a high coefficient of variation (C.V.) would have greater dispersion than the one which has lower C.V. in other words, when C.V is high, the series or company is less consistent or more variable and when its low the series or company is more consistent or less variable .it can be calculated as:

$$C.V. = \sigma \div x$$

x= Mean

BETA: Beta establishes the relationship between market or index return and fund return. It predicts the performance of a fund in correlation with market. Beta of the market is determined at 1 .this could be interpreted as if the beta of stock is more than 1, it means fund will rise more than market and also fall more than market .It can be calculated as:

$$\beta = \text{covariance (RP *RM)} \div \text{variance of RM}$$

RP = Return of Portfolio

RM = Return of Market

Sharpe Ratio: Sharpe ratio is the risk adjusted return ratio which represents the return earned over the risk free rate of return, per unit of risk taken. Standard deviation is used as measurement of total risk. Standard takes into account both systematic and unsystematic risk i.e. it takes into account all possible risks. Return earned on treasury bills, Gilt securities or bank saving deposits is used as risk free rate of return. It can be calculated as:

$$RP - RF \div \sigma$$

RF= Risk free rate of return

Treynors Ratio: Also known as reward to volatility ratio is again an indicator of risk adjusted return. It uses Beta not the standard deviation as measurement of risk. It's generally believed that diversification of securities eliminates the company or unsystematic risk. Therefore, Beta is used to measure the systematic market risk. Higher the treynors ratio better the investment is. It can be calculated as:

$$RP - RF \div \beta$$

Jensen Alpha: it is the risk adjusted performance ratio of a portfolio which indicates whether the portfolio has earned the excess return over the benchmark return predicted via Beta. Alpha ratio can be both positive as well as negative, a positive alpha means fund has provided excess return than its benchmark while as, a negative alpha means fund has provided less returns than its benchmark. It can be calculated as:

$$(\alpha) = RP - [RF + \beta (RM - RF)]$$

β = Beta

T- TEST: Since the sample of the study is less than 30 and population standard deviation is unknown, a two-tailed T-test has been used to test the hypothesis of the study at a 5% level of significance.

V. RESULTS AND DISCUSSION

In the table below selected ELSS funds have been numbered from 1 to 10 based on their ranking done as per AUM.

Table II: Comparison of selected ELSS funds with nifty 50 indexes by average return

Schemes	Average Return
Nifty 50	12.64%
Axis Long Term Equity Fund	19.57%
Reliance Tax Saver Fund	19.80
HDFC Tax Saver Fund	18.35
SBI Magnum Tax Gain Scheme-93	15.58
ICICI Prudential Long Term Equity Fund	20.04
Aditya Birla Sunlife Tax Relief 96	18.21
DSP Blackrock Tax Saver Fund	20.14
Franklin India Tax Shield	18.75
L&T Tax Advantage Fund	17.90
Sundaram Diversified Equity Fund	16.24

Source: MS Excel

As per table II, The market index has shown an average return of 12.64%, among the various selected Elss schemes the highest average return is shown by Dsp black rock which is 20.14% and lowest average return is shown by SBI magnum at 15.58%, therefore, all the ELSS funds have beaten the market and provided the average return well above the market return.

Table III: Comparison of selected ELSS funds with nifty 50 indexes by standard deviation

Schemes	Standard Deviation
Nifty 50	28.75%
Axis Long Term Equity Fund	23%
Reliance Tax Saver Fund	37%
HDFC Tax Saver Fund	40%
SBI Magnum Tax Gain Scheme-93	32%
ICICI Prudential Long Term Equity Fund	42%
Aditya Birla Sunlife Tax Relief 96	44%
a Blackrock Tax Saver Fund	37%
Franklin India Tax Shield	33%
L&T Tax Advantage Fund	32%
Sundaram Diversified Equity Fund	31%

Source: MS Excel

Table III presents the standard deviation of selected ELSS schemes and of market returns. Standard deviation measures how risky or volatile the investment is and it was found that the market returns have shown a standard deviation of 28.75% among the ELSS funds Aditya Birla has the highest standard deviation which is 44%, therefore, is the most risky scheme. While as Axis fund has a lowest standard deviation which is 23% and is the most reliable scheme among the sample organizations

Table IV: Comparison of selected ELSS funds with nifty 50 indexes by coefficient of variation

Schemes	Coefficient of Variation
Nifty 50	227.51%
Axis Long Term Equity Fund	120%
Reliance Tax Saver Fund	189%
HDFC Tax Saver Fund	215%
SBI Magnum Tax Gain Scheme-93	203%
ICICI Prudential Long Term Equity Fund	210%
Aditya Birla Sunlife Tax Relief 96	241%
DSP Blackrock Tax Saver Fund	183%
Franklin India Tax Shield	176%
L&T Tax Advantage Fund	181%
Sundaram Diversified Equity Fund	188%

Source: MS Excel

Table IV depicts coefficient of variation which is a measurement of dispersion. A fund which has a high value of coefficient of variation is least consistent or more variable while as; a low value shows a company is more consistent or less variable. The results show market has shown coefficient of variation at 227.51%, among the ELSS funds Aditya Birla has been performing least consistently as it carries a highest coefficient of variation which is 241% while as; axis fund is the most consistent performer with least value of coefficient of variation which is 120%. Further a closer look at the table shows that only Aditya Birla has more C.V than

market returns meaning thereby rest all funds have been performing more consistently than market index.

Table V: Comparison of selected ELSS funds with nifty 50 indexes by Beta

Schemes	Beta
Nifty 50	1
Axis Long Term Equity Fund	1.48
Reliance Tax Saver Fund	1.14
HDFC Tax Saver Fund	1.30
SBI Magnum Tax Gain Scheme-93	1.12
ICICI Prudential Long Term Equity Fund	1.38
Aditya Birla Sunlife Tax Relief 96	1.43
DSP Blackrock Tax Saver Fund	1.25
Franklin India Tax Shield	1.09
L&T Tax Advantage Fund	1.09
Sundaram Diversified Equity Fund	1.03

Source: MS Excel

Table V presents the beta value analysis of selected ELSS. As Beta predicts the performance of a fund in correlation with market, beta of a market is determined at 1 which means if the beta of stock is more than 1, funds will raise more than market and also fall more than market whereas, if the beta of a stock is less than one funds will raise less than market and also fall less than market.

The analysis shows that axis fund has the highest beta which is 1.48% this can be interpreted as, 1% change (increase or decrease) in the market index return causes 1.48% change (increase or decrease) in the axis fund return and the lowest beta is of Sundaram which is 1.03% further the table depicts that all funds have a beta value more than 1 which means all funds are aggressive in relationship with market index.

Table VI: Evaluates and compares selected ELSS funds by Sharpe's value

Schemes	Sharpe's Value
Axis Long Term Equity Fund	0.54
Reliance Tax Saver Fund	0.34
HDFC Tax Saver Fund	0.28
SBI Magnum Tax Gain Scheme-93	0.26
ICICI Prudential Long Term Equity Fund	0.31
Aditya Birla Sunlife Tax Relief 96	0.25
DSP Blackrock Tax Saver Fund	0.35
Franklin India Tax Shield	0.35
L&T Tax Advantage Fund	0.31
Sundaram Diversified Equity Fund	0.29

Source: MS Excel

Table VI Depicts the Sharpe ratio, a risk adjusted return ratio which measures the return earned over the risk free rate of return with standard deviation as the measurement of total risk. The analysis reveals that axis fund has a highest Sharpe ratio which is 0.54 which means it gives highest excess return over the risk

free rate of return or gives the best risk adjusted return among the selected schemes.

Table VII: Evaluates and compares selected ELSS funds by treynors value

Schemes	Treynors Value
Axis Long Term Equity Fund	8.49
Reliance Tax Saver Fund	11.22
HDFC Tax Saver Fund	8.73
SBI Magnum Tax Gain Scheme-93	6.97
ICICI Prudential Long Term Equity Fund	9.44
Aditya Birla Sunlife Tax Relief 96	7.83
DSP Blackrock Tax Saver Fund	10.51
Franklin India Tax Shield	10.77
L&T Tax Advantage Fund	10
Sundaram Diversified Equity Fund	8.47

Source: MS Excel

Table VII presents treynors ratio which is another risk adjusted return ratio but it uses Beta (systematic) for risk measurement. The data analysis shows that the reliance tax saver fund has a highest treynors ratio which is 11.22% which means it gives best risk adjusted return whereas, SBI magnum has a lowest treynors ratio which is 6.97%.

Table VIII: Evaluates and compares selected ELSS funds by Jensen alpha

Schemes	Jensen Alpha
Axis Long Term Equity Fund	4.22
Reliance Tax Saver Fund	6.37
HDFC Tax Saver Fund	4.01
SBI Magnum Tax Gain Scheme-93	1.64
ICICI Prudential Long Term Equity Fund	5.25
Aditya Birla Sunlife Tax Relief 96	3.14
DSP Blackrock Tax Saver Fund	6.09
Franklin India Tax Shield	5.6
L&T Tax Advantage Fund	4.75
Sundaram Diversified Equity Fund	3.47

Source: MS Excel

Table VIII presents Jensen alpha which indicates whether the portfolio has earned excess return over the benchmark return predicted via beta, higher the value of beta better its. The data analysis shows that reliance tax saver has the highest Jensen alpha of 6.37 while as SBI magnum has a lowest alpha which is 1.64. A closer look at the table shows that all the selected schemes have a positive alpha which means they provide excess return over the expected return.

For testing hypothesis t - test has been used. The value of t or probability that null hypothesis is true is 0.68 which is more than .050, therefore, null hypothesis has been accepted hence concluded that there is no significant difference between fund return and market return of the sample organizations under study.

VI. CONCLUSIONS

The present study has evaluated the performance of selected ELSS funds spread over the period of 10 years which ranges from 1st April 2007 to 31st March 2017. The following conclusions have been made during this study.

The highest average return is shown by Dsp blackrock which is 20.14% and lowest average return is shown by SBI magnum at 15.58% moreover, all the ELSS funds have beaten the market index and provided the average return well above the market return which is 12.64%.

Aditya Birla has the highest standard deviation which is 44%, therefore, is the most risky scheme. While as Axis fund has a lowest standard deviation which is 23% and is the most reliable scheme among the sample organizations. Moreover, axis fund is the only fund which has less standard deviation than market standard deviation which is 28.75% which means this scheme is most reliable or least risky in market over the period of the study.

Aditya Birla has been performing least consistently as it carries a highest coefficient of variation which is 241% while as; axis fund is the most consistent performer with least value of coefficient of variation which is 120%. Moreover, Aditya Birla has more C.V than a market return which is 227.51% meaning thereby rest all funds has been performing more consistently than market index.

Axis fund has the highest beta which is 1.48% and the lowest beta is of Sundaram which is 1.03% moreover, all funds have a beta value more than 1 which means all funds are aggressive in relationship with market index.

Axis fund has a highest Sharpe ratio which is 0.54 which means it gives the best risk adjusted return while as, Aditya birla sunlife tax relief 96 has lowest Sharpe ratio which is 0.25 meaning that it gives least risk adjusted return among the selected schemes.

Reliance tax saver fund has a highest treynors ratio which is 11.22%. which means it gives best risk adjusted return whereas, SBI magnum has a lowest treynors ratio which is 6.97% meaning that it gives least risk adjusted return among the selected schemes.

Reliance tax saver has given the highest excess return over expected return with the highest Jensen alpha of 6.37 while as SBI magnum has given least excess return over the expected return with the lowest alpha which is 1.64.

The value of t-test is 0.68 which is more than .050, therefore, null hypothesis has been accepted hence concluded that there is no significant difference between fund return and market return of the sample organizations under study.

The study concludes that all ELSS funds have beaten the market index in terms of average return; all

the funds except Aditya birla sunlife tax relief 96 have performed more consistently than benchmark index. Also, axis fund is the most reliable scheme in market; moreover, all the funds have aggressive relationship with market.

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