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**RISK-RETURN EVALUATION OF ELSS
FUNDS DURING 2008-11: AN EMPIRICAL ANALYSIS**

MRS MANI GOVIL*

*Assistant Professor,
International Institute for Special Education,
Kanchana Bihari Marg, Off Ring Road Via Kalyanpur, Lucknow- 226022.

ABSTRACT

Even though the Mutual Funds as an investment class, have been gaining awareness in the past years, it is still facing a challenge to survive and retain investor's interest. The recessionary period had an adverse impact on the growth, so much so, that the net resource mobilized by mutual funds reduced from a positive 11,136 crore in 2007-08 to a negative 22,355 crore in 2008-09 (source: SEBI handbook 2009). The situation has although now improved. Evaluating the performance of mutual funds is thus a prime concern. An attempt has been made in this paper, to study the performance of a sample of tax saving mutual fund schemes (ELSS) and compare the performance of public and private sector funds. Ten schemes- three from public sector and seven from private sector have been evaluated. The net inflow in ELSS (Equity linked savings scheme) has been positive and increasing from 2005-06 to 2008-09 though it reduced during 2008-09 compared to 2007-08. The analysis has been made on the basis of mean return, beta risk, co-efficient of determination, Sharpe ratio, Treynor ratio and Jensen Alpha. The overall analysis finds Fidelity Taxadvantage fund the best performer among the ELSS funds and the private sector ELSS funds a better performer than public sector funds when compared against the risk-return models.

KEYWORDS: *ELSS, mean return, beta, Sharpe ratio, Treynor ratio, Jensen Alpha.*