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Analytical Study Of Indian Mutual Fund Elss Schemes With Retrospect To Risk- Return Trade Off Strategies

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Abstract

Mutual Funds are the Indirect Investments of various Financial Assets in Financial Markets. When it is difficult to evaluate Equity, Debt or any other Financial Instruments which have high/moderate risk with volatile returns, an Investor will always look for an avenue which gives him a standard return with average risk. Mutual Funds answers this with safety of low risk and high returns under proper Fund Management Services. As one invests in Mutual Fund, he becomes a part-owner of the investments. One of the types of Mutual Funds under Equity Segment is Equity Linked Saving Schemes (ELSS) which are mainly designed to provide a tax benefit .The current research was made to analyse the Risk-Return trade off strategies of top 5 ELSS schemes HDFC, ICICI Prudential, Reliance, Religare and Franklin Templeton taking various Risk ratios/ Return Statistics into consideration.Benchmark returns for each Fund scheme were obtained based on the Index and then compared with Fund returns .The risk ratios are also analysed to match with the Fund retun deviations. These returns are then traded off with the risk ratios to assess the performance.The study has revealed that a good ELSS scheme is one which outperformed well with a high return incorporated with low/average risk.

KeyWords *Fund Return (FR), Bench Mark Return(BMR), ELSS Schemes, Risk-Return Tradeoff, Net Asset Value (NAV).*

1.0 Objectives of Study:

The present paper is focussed in accomplishing the following objectives---

a) To explain the basic structure of Mutual Funds and the concept of Equity Linked Saving Schemes (ELSS)

b) To evaluate the ELSS schemes of selected Companies returns vis-à-vis the market returns and also after incorporating the risk components in each scheme.

2.0 Research Methodology:

Secondary Data is taken as a basis of analysis for this research.Top five ELSS

schemes were as per their AUM as on 30th June 2012. The sample ELSS schemes are HDFC Tax Saver , ICICI Prudential Tax Plan, Reliance Tax Saver, Religare Tax Plan and Franklin India Tax shield. The respective Fund Returns (based on NAVs) for a period of 1 year, 2 years, 3 years and 5 years were obtained for each of them and are compared with that of the Benchmark Returns of respective schemes namely BSE-100, S&P CNX 500, S&P Nifty. The data was collected from moneycontrol.com and mutualfundsindia.com. The deviations are properly analysed. For each of the scheme, the risk ratios (Alpha, Beta, Standard Deviation and Sharpe Ratio) were also observed carefully and correlated with the returns. Accordingly, proper findings were found out and conclusions were drawn about the best performance scheme among all.

3.0 Review of Literature:

Performance evaluation of mutual funds with respect to different schemes is one of the preferred areas of research where a good quantum of study has been carried out. The area of research provides diverse views of the same which are enumerated below:

[1]**Dr. Rao, Narayan (1992)** evaluated the performance of Indian Mutual Fund Schemes in a bear market using relative performance index, risk-return analysis, Treynor's ratio, Sharpe's ratio, Jensen's measure, Fama's measure. The study finds that Medium Term Debt Funds were the best performing funds during the bear period of September 92-April 2002 and 58 of 269 open ended mutual funds provided better returns than the overall market returns.

[2]**Gupta L C** (1992) attempted a household survey of investors with the objective of identifying investors' preferences for mutual funds so as to help policy makers and mutual funds in designing mutual fund products and in shaping the mutual fund industry.

[3]**Shashikant Uma** (1993) critically examined the rationale and relevance of mutual fund operations in Indian Money Markets. She pointed out that money market mutual funds with low-risk and low return offered conservative investors a reliable investment avenue for short-term investment.

[4]**Ansari** (1993) stressed the need for mutual funds to bring in innovative schemes suitable to the varied needs of the small savers in order to become predominant financial service institution in the country.

[5]**Gupta and Sehgal** (1998) evaluated performance of 80 mutual fund schemes

over four years (1992-96). The study tested the proposition relating to fund diversification, consistency of performance, parameter of performance and risk-return relationship. The study noticed the existence of inadequate portfolio diversification and consistency in performance among the sample schemes.

[6]**Kumar V K** (1999) analysed the roles, products and the problems faced by the IMFI. He suggested the turnaround strategies of awareness programs, transparency of information, distinct marketing and distribution systems to rebuild confidence.

[1]Dr. Rao, Narayan *"Performance Evaluation of Indian Mutual Funds"*, www.ssrn.com, paper no.433100 and PP.1-24

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4.0 Mutual Fund –Basics & Structure:

A Mutual Fund is a trust that collects money from investors who share a common financial goal, and invest the proceeds in different asset classes, as defined by the investment objective. Simply put, mutual fund is a financial intermediary, set up with an objective to professionally manage the money. An investor in a Mutual Fund Scheme receives *units* which are in accordance with the quantum of money invested by him. The investment experts who invest the pooled money on behalf of investors of the scheme are known as **Fund Managers.** These fund managers take the investment decisions pertaining to the selection of securities and the proportion of investments to be made into them. However, these decisions are governed by certain guidelines which are decided by the investment objective(s), investment pattern of the scheme and are subject to regulatory restrictions.

4.1 How are the Mutual Funds set up?

A mutual fund is set up in the form of a trust, which has Sponsor, Trustees, Asset Management Company (AMC) and Custodian. The trust is established by a sponsor or more than one sponsor who is like a promoter of a company The trustees of the mutual fund hold its property for the benefit of the unit holders. Asset Management Company (AMC) manages the funds by making investments in various types of securities. Custodian, holds the securities of various schemes of the fund in its custody. The trustees are vested with the general power of superintendence and direction over the AMC.

4.2 Types of Mutual Funds

Though different options are expressed by different experts with relation to classification / types of Mutual Funds , they can be divided into two on a broad basis.

1. By Structure
2. By Objective

4.2.1 By Structure

Open-end Funds

Funds that can sell and purchase units at any point in time are classified as Open-end Funds. The fund size (corpus) of an open-end fund is variable (keeps changing) because of continuous selling (to investors) and repurchases (from the investors) by the fund. An open-end fund is not required to keep selling new units to the investors at all times but is required to always repurchase, when an investor wants to sell his units. The NAV of an open-end fund is calculated every day.

Closed End Funds

Funds that can sell a fixed number of units only during the New Fund Offer (NFO) period are known as Closed-end Funds. The corpus of a Closed-end Fund remains unchanged at all times. After the closure of the offer, buying and redemption of units by the investors directly from the Funds is not allowed.

4.2.2 By Objective

Equity (Growth) Schemes The aim of these schemes is to provide capital appreciation over medium to long term. These schemes normally invest a major part of their fund in equities and are willing to bear short-term decline in value for possible future appreciation.

Debt (Income) Schemes The aim of these schemes is to provide regular and steady income to investors. These schemes generally invest in fixed income securities such as bonds and corporate debentures. Capital appreciation in such schemes may be limited.

Index Schemes Index schemes attempt to replicate the performance of a particular index such as the BSE sensex or the NSE 50. The portfolio of these schemes will consist of only those stocks that constitute the index. The percentage of each stock to

the total holding will be identical to the stocks index weight age. And hence, the returns from such schemes would be more or less equivalent to those of the Index. Apart from the above, there are many other innovations in funds namely Funds of Funds (FOFs), Exchange Traded Funds (ETFs), Commodity Funds, Sector Funds etc. On a overall basis, the whole classification can be depicted as below:

5.0 Equity Linked Saving Schemes (ELSS):

Equity Linked Saving Scheme (ELSS) is also a type of mutual fund and falls under the Equity Mutual Fund category. As the name indicates, ELSS mutual fund invests major portion of its corpus into equity and equity related instruments. But there are some distinct features which makes ELSS plans different from other equity mutual funds.

5.1 What they offer than other schemes of Mutual Funds?

There are 2 major features that make ELSS plans different from other mutual funds:

1. **Income Tax Benefit:** Investments made in ELSS plans are eligible for deduction from the taxable income under Section 80C of the Income Tax Act. There is no limit for investments in ELSS plans, but investments of upto Rs 1,00,000 qualify for income tax benefits. Investments made in normal mutual funds (other than ELSS plans) do not qualify for income tax deduction.

2. 3 Year Lock-in Period: Investments made in ELSS plans have a lock-in period of 3 years. In case of normal mutual funds this lock-in period is not there. In an ELSS plan every instalment has a lock-in period of 3 years.

5.2 Features of an ELSS Plan

1. ELSS is an equity linked tax saving investment instrument.

2. Money collected under ELSS plan is mainly invested in equity and equity related instruments.

3. This financial product is more suited to those investors who are willing to take high risk and looking for high returns.

4. There is no upper limit on investments that can be made in ELSS. However investments upto INR 1,00,000 made in ELSS in a financial year qualify for deduction from taxable income under Section 80C of the Income Tax Act.

5. ELSS comes with a 3 year lock-in period.

6. Long term capital gains earned on investments from ELSS are tax free.

7. Also dividends earned from ELSS plan are tax free in the hands of the investor.

8. The other tax saving instrument that comes closest to comparison with ELSS is Unit Linked Insurance Plan (ULIP).

5.3 Options in an ELSS Plan

ELSS plans come with 2 options of growth and dividend.

1. **Growth Option:** If the investor selects growth option, he will not get any income during the tenure of the investment. He will get a lumpsum amount at the time of redemption or on maturity. In other words the investor will not get any returns till the time he is holding the instrument and the profit/loss is realized when the securities are sold/transferred.

2. **Dividend Options:** Under the dividend option the investor has 2 options. Dividends give income tax benefits to the investor. For example let us assume that the investor invests Rs 1 Lakh in an ELSS plan (NAV Rs 10) in the month of April and the ELSS scheme declares a dividend of 25% in the following month in May. The investor will get back Rs 25,000 on his investment of Rs 1 Lakh. So effectively the investor has invested only Rs 75,000 but he gets the income tax benefit on the entire Rs 1 Lakh. So if the investor is falling in the 30% tax bracket, the tax saving of Rs 30,000 on Rs 75,000 (net investment amount as Rs 25000 is received back as dividend) effectively works out to 40% instead of 30%. Also the lock-in period of the Rs 25,000 received as dividend gets reduced from 3 years to 1 month only.

3. **Dividend Re-investment Option:** If the investor opts for dividend re-investment option, then any dividends declared are re-invested on behalf of the investor. The investor can claim additional tax benefits on the re-invested dividend amount. For example let us assume that the investor has invested Rs 1 Lakh in the ELSS plan. In the next year the scheme declares a dividend and the investor is entitled to a dividend of Rs 20,000. This dividend is re-invested on behalf of the investor and he gets additional units of the scheme. The investor can claim income tax deduction for this Rs 20,000 from his taxable income as this investment of Rs 20,000 is treated as fresh investment.

5.4 Systematic Investment Plan (SIP)

The process of investing a fixed amount on a regular basis (daily, weekly, monthly) in an ELSS mutual fund scheme is known as Systematic Investment Plan or SIP in short. All ELSS schemes come with the SIP option and investors can start with an investment of as low of Rs 500. The minimum SIP investment amount may differ among different mutual fund schemes. In an SIP, more units are purchased when the market prices are

down and fewer units are purchased at the peak times when the prices are high. Since SIP investments are regular investments, they inculcate the habit of savings in the investors and result in wealth creation in the long term. Investing through SIP is ideal for salaried people. They can make regular investment through bank ECS facility.

5.5 Charges in a Mutual Fund

There are 3 types of charges in an ELSS Plan:

1. **Entry Load:** This is the charge levied by the mutual fund at the time of investment. For example if the entry load is 2.25% and the investor has invested Rs 100, the Rs 2.25 will go towards entry load charges and the remaining Rs 97.75 is invested by the mutual fund on behalf of the investor. If the NAV on that day is Rs 10, then the investor will get 97.75/10 = 9.775 units in his account.

   Recently from 1st August 2009, Securities and Exchange Board of India (SEBI) has abolished the entry load for mutual funds. So now all ELSS plans are free of entry load charges. This effectively means that if the investor invests Rs 100, the full Rs 100 will be invested without deduction of any entry load charge.

2. **Fund Management Charges:** This is the recurring charge levied by the mutual fund. This charge is for the day to day expenses of the mutual fund. The maximum permissible by SEBI is 2.5% and the industry average is around 2.25%. This charge is collected by the mutual fund by cancelling equivalent units from the investors account.

3. **Exit Load:** This charge is levied by mutual funds when the investor sells the units. In ELSS plans there is no exit load.

6.0 Risk- Return Concepts In Mutual Fund

6.1 What is Return?

What is the return that Mutual funds are offering to its investors? It is the Net Asset Value (NAV) of the particular fund along with Dividends (if any) as a part of the fund. NAV is nothing but the total market value of all the assets held in the mutual fund portfolio less the liabilities, divided by all the outstanding units. That amounts to nothing but the "book value".

The NAV measures how much each share of a mutual fund is worth. So essentially, the NAV of a mutual fund is the cost of one share of the fund.

Net Asset Value (NAV) = (Assets – Debts) / (Number of Outstanding units)

Where

Assets = Market value of the fund's investments

+ Receivables + Accrued Income Debts

= Liabilities + Accrued Expenses

It is to be noted that the NAV is arrived at after deduction of the Expense Ratio of a mutual fund. The expense ratio is the total amount of annual expenses incurred by a mutual fund and it includes the management fee and operating expenses like the registrar and transfer agent fee, marketing and distribution fee, audit fee and custodian fee.

Fund Return will be calculated based on the following formula:

Fund Return = (Current NAV – Opening NAV)

/ Opening NAV

The Fund Returns (generally the average annual returns) for a period are to be compared with their benchmark returns (BMR) and the deviations will be identified. The deviations can be interpreted as follows:

- BMR > FR and the deviation is high/maximum, the performance of Scheme is bad.
- BMR >FR and the deviation is low/medium, the performance is not upto the mark.
- BMR <FR and the deviation is low/negligible, the performance is just average.
- BMR < FR and the deviation is high/maximum, the performance is very good.

6.2 What about Risk?

Like all the other investment avenues , mutual funds too have investment risk . It is true that the risks on investments into the mutual funds are lower than the investment into the stocks directly. Because of this reason many investors tend to ignore the risk component while calculating the effective returns from the mutual funds. Risk is a factor that often is ignored by the investors while they are evaluating the returns of a mutual fund scheme.Following is the list of some common risks involved while investing in the capital market and particularly in the mutual funds.

Country Risk : This risk arises from the possibility that political events such as war, national elections etc. and financial problems such as rising inflation or natural disasters such as an earthquake, a poor harvest etc. will weaken a country's economy and cause investments in that country to decline.

Credit Risk: This is a risk that arises from the possibility that a bond issuer will fail to repay interest and principal in a timely manner. This risk is also called as default

risk.

Currency Risk: This risk arises from the possibility that returns could be reduced for Indians investing in foreign securities because of a rise in the value of the Indian rupee against dollar, euro or yen etc. This is also known as Exchange Rate Risk.

Industry Risk : This risk arises from the possibility that a group of stocks in a single industry will decline in price due to developments in that industry.

Manager Risk : This risk arises from the possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively, resulting in the failure of the sated objectives.

Market Risk: This risk arises from the possibility that stock fund or bond fund prices overall will decline over short or even extended periods.

6.3 Risk Parametres:

a). Alpha (α):

Alpha basically is the difference between the returns an investor expects from a fund, given its beta, and the return it actually produces.

Alpha = {(Fund return-Risk free return) – (Funds beta)

***(Benchmark return - risk free return)}.**

A positive alpha means the fund has outperformed its benchmark index. Whereas, a negative alpha indicates an underperformance of the fund. The more positive an alpha the healthier for investors.

b). **Beta (β):**

Beta is a measure of the volatility of a particular fund in comparison to the market as a whole, that is, the extent to which the fund's return is impacted by market factors. Beta is calculated using a statistical tool called **'Regression Analysis.'**

By definition, the market benchmark index of Sensex/ Nifty has a beta of 1.0 and the following possible scenarios in interpreting the Beta can be drawn:

1. A beta of 1.0 indicates that the fund NAV will move in same direction as that of benchmark index. The fund will move up and down in tandem with the movement of the markets (as indicated by the benchmark)
2. A beta of less than 1.0 indicates that the fund NAV will be less volatile than the benchmark index.
3. A beta of more than 1.0 indicates that the investment will be more volatile than the benchmark index. It is an aggressive fund that will move up more than the benchmark, but the fall will also be steeper.

(c). Standard Deviation (σ):

The total risk (market risk, security-specific risk and portfolio risk) of a mutual fund is measured by 'Standard Deviation' (SD). In mutual funds, the standard deviation tells us how much the return on a fund is deviating from the expected returns based on its historical performance. In other words can be said it evaluates the volatility of the fund.

The standard deviation of a fund measures this risk by measuring the degree to which the fund fluctuates in relation to its average return of a fund over a period of time. In other words, it is a measure of the consistency of a mutual fund's returns.

A higher SD number indicates that the net asset value (NAV) of the mutual fund is more volatile and, it is riskier than a fund with a lower SD.

(d). Sharpe Ratio

Sharpe ratio (SR) is another important measure that evaluates the return that a fund has generated relative to the risk taken. Risk here is measured by SD. It is used for funds that have low correlation with benchmark index. This ratio helps an investor to know whether it is a safe bet to invest in this fund by taking the quantum of risk. The higher the Sharpe ratio (SR), the better a fund's return relative to the amount of risk taken. In other words, a mutual fund with a higher SR is better because it implies that it has generated higher returns for every unit of risk that was taken. On the contrary, a negative Sharpe ratio indicates that a risk-free asset would perform better than the fund being analyzed.

It tries to find out the excess return generated by a mutual fund over and above a risk-free rate of return such as an RBI bond or a post-office savings scheme, etc.

6.4 Risk-Return Tradeoff Strategies At A Glance:

Based on the above discussions, the following risk-return tradeoff strategies can be formulated which are summarised in the following table. A prudential investor can mix the both analysis to choose the best scheme to be on safe side of his investments.

Now, let us evaluate the ELSS schemes based on the above discussions. For this, a brief snapshot of the scheme, Primary Analysis with respect to their fundamentals was presented. This helps in understanding the scheme better and also at what place it stands in the market.

Inferences:

Table 2 and 3 depicsts that All schemes are Open-Ended with Growth option and with a Lock in Period of 3 years.Asset Allocations were made in three Segments such as Equity, Debt and Cash and were different. Reliance has made high equity fund investments (98.92%) whereas ICICI has invested in that only 92.27%. Debt

Fund Investments are almost negligible.The Bench Mark Indicies are different for all schemes. BSE 100 is the benchmark for Reliance and Religare whereas S&P CNX 500 acts for HDFC and Franklin Templeton. ICICI Prudential is having a unique benchmark of S&P Nifty. HDFC Tax saver is enjoying the highest NAV(Rs 230.80), highest Avg. AUM (Rs 3149.79 Cr) and with Low expense Ratio(1.85)**.** Religare Tax saver is benefited with highest Market Capitalisation (Rs 83,349.82 Cr) but suffers from Lowest NAV(Rs 18.53), High Expense Ratio (2.48) and Lowest Avg AUM (Rs 115.47 Cr)

7.0 Fund Returns and Deviations from Benchmark Returns:

Inference:

From the Table 4.0, it is understood that Fund returns for 1,2,3 & 5 years duly compared with its benchmark index (CNX-500) are high during 3rd and 5th years but could not be more in 1 year. Ofcourse, it has suffered a negative return in 2nd year but the Benchmark return was even more worse than that. The deviation is high during 3rd year at the rate of 5.1 %.

Inference:

From the above table 5.0, it is inferred that the Fund Returns are high in all the years. It had scored a higher growth in first year considerably but the performance is good in 3rd year at the rate of 7.8%. Ofcourse, there is a negative performance in 2nd Year but the benchmark return was even more worse than that.

Inference:

Table 6 depicts that like ICICI Prudential Tax plan, Reliance is also doing well in all years . The performance has touched the peak in the first year but the deviation wise, 3rd year , it had scored good fund return at the rate of 8.7 %. Like wise, the 2nd year also proved that there is a negative Fund return but better than the Benchmark return .

Inference:

Table 7 shows that in the first year, Reliance Tax Plan could not perform well. But, in 3rd year, it could achieve a great return than the BMR (at the rate of 6.5%), which is the highest in the overall period.Similarly, in 2nd Year, there was a negative performance but less than the Benchmark Poor.

Inference:

The Table 8 inferences one important point that despite of many negative factors and crisis in the market, Franklin alone could perform well in 2 year with a positve Fund rate of 2.2% agains the Benchmark rate of -5.1%.3rd Year, is the peak performance period with a deviation of 8.6%.

Now, let us discuss the risk wise factors also for each of the ELSS scheme.

8. Conclusion:

From the above analytical study, the deviations of FR with its BMR can be seen higher in year -3 in all the cases. It is more in the case of Reliance (8.7) followed by Franklin Templeton and ICICI. HDFC has stood up at the last place in concurring high Fund Returns than the Benchmark Index. When we analyse the Risk ratios, it can be observed that Reliance is aggressive with high alpha (0.09) with low beta (0.76). That means,it has outperformed than benchmark index and has less volatile NAV with comaparision with its Benchmark Index of BSE-100.This is because, the FR is more than Benchmark Return in year 3 and hence the investor is getting more than the expected returns. Ofcourse, the Standard Deviation is more in case of Reliance (3.64) whereas ICICI (3.33) , Religare (3.34) and Franklin Templeton (3.32) had shown a less S.D comparitevely. The Sharpe Ratio is almost same in all the cases except in ICICI prudential. It is well drawn that Risk and Returns are closely related in determining the fund/scheme performance. Overall, all the Mutual Funds are haivng a positive returns from the last 5 years. The beta values are less than one in all cases, which indicates that the funds are less volatile than index.It is very helpful to the investor if he can combine the strategies of Risk and return with different outline performers (as shown in Table : 1) and likely pay a less return for a higher risk or high return for a less quantum of risk. In the above case, Reliance Tax Saver-Growth Fund seems to be performing well with regard to its Return and offsetting of Risk strategies. Perhaps, it is not having a wide range gap of Standard Deviation and Sharpe Ratio within its peer components.But, as a cautious investor, it is wise to remember always that

" Mutual Funds investments are always subject to Market Risk"

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Figure 1: Structure of Mutual Fund

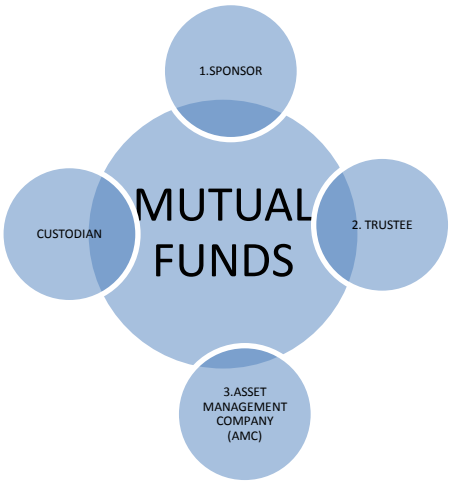
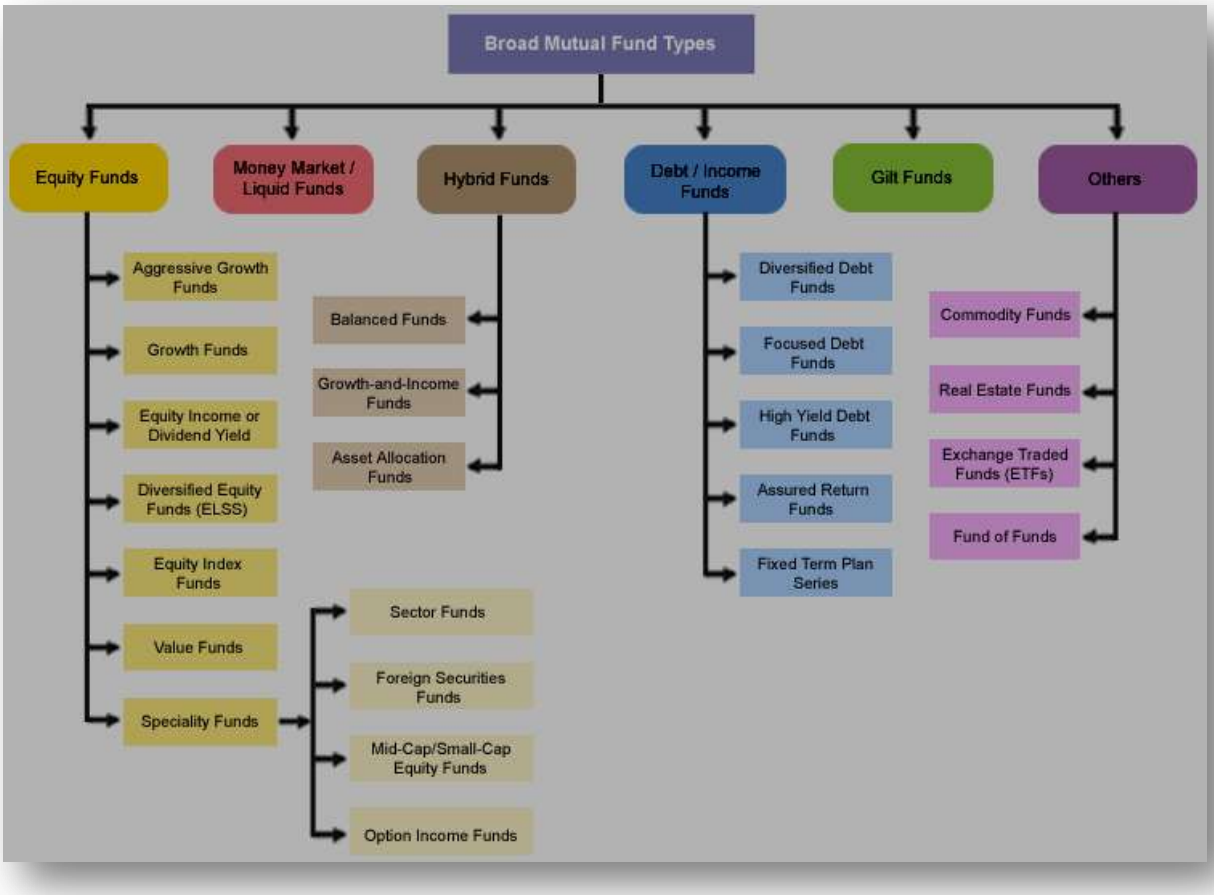


Figure 2: Comprehensive Structure of Mutual Funds



***Source** : mutualfundsindia.com*

Table 1: Overall Risk- Return Trade-off strategies

Risk/Return Factors	**Return at Maximum**	**Risk at Minimum**
Fund Return (FR)	FR > BMR	==========
Benchmark Return (BMR)	BMR < FR	==========
Alpha	==========	Positive or Higher value
Beta	==========	Less than 1
Standard Deviation	==========	Lowest Standard Deviation
Sharpe Ratio	==========	Higher Sharpe Ratio Value

Table 2: Snapshot of Peer Group ELSS Schemes

Scheme Details	**HDFC MF**	**ICICI MF**	**Reliance MF**	**Religare MF**	**FT Mutual Fund**
Scheme Name	HDFC Tax Saver (G)	ICICI Prudential Tax Plan (G)	Reliance Tax Saver (G)	Religare Tax Plan (G)	Franklin India Tax Shield (G)
Type and Class	Open Ended-Equity-Growth with 3 year Lock in Period	Open Ended-Equity-Growth with 3 year Lock in Period	Open Ended-Equity-Growth with 3 year Lock in Period	Open Ended-Equity-Growth with 3 year Lock in Period	Open Ended-Equity-Growth with 3 year Lock in Period
Date of Inception	13/06/1996	19/08/1999	22/09/2005	29/12/2006	10/04/1999
Asset Allocation	E-94.16% D-0.32% C-5.52%	E-92.27% C-7.73%	E-98.92% C-1.08%	E-94.08% C-5.92%	E-92.47% D-0.03% C-7.5%
Benchmark Index	S & P CNX 500	S & P Nifty	BSE 100	BSE 100	S & P CNX 500

E- Equity; D- Debt; C- Cash;

***Source**:moneycontrol.com*

Table 3: Primary Analysis of Peer ELSS schemes

Component	**HDFC**	**ICICI**	**Reliance**	**Religare**	**FT Tax Shield**
Avg. AUM (in Cr)-June 2012	3149.79	1295.14	1969.83	115.47	821.06

Latest NAV-28/9/2012	230.8	147.15	23.24	18.53	227.15
Market Cap (in Cr) for June 2012	59,276.96	75,020.29	18,428.31	83,349.82	60,332.10
Expenses Ratio	1.85	1.99	1.91	2.48	2.11

***Source**: Bajaj Capital Research and Fund Barometres.*

Table 4: HDFC Tax Saver Plan- Return Analysis

Particulars	**1 year(%)**	**2year(%)**	**3year(%)**	**5year(%)**
Fund Return (FR)	9.7	-4.0	8.5	5.6
Bench Mark Return (CNX 500)	13.0	-4.7	3.4	1.5
Deviation in Return	-3.3	0.7	**5.1**	4.1

***Source**:amfiindia.com*

Table 5: ICICI Prudential Tax Plan-Return Analysis

Particulars	**1 year(%)**	**2year(%)**	**3year(%)**	**5year(%)**
Fund Return (FR)	14.9	-0.3	11.2	7.7
Bench Mark Return (S &P NIFTY)	13.0	-4.7	3.4	1.5
Deviation in Return	1.9	4.4	**7.8**	6.2

***Source**:moneycontrol.com & mutualfundsindia.com*

Table 6: Reliance Tax Saver Plan- Return Analysis

Particulars	**1 year(%)**	**2year(%)**	**3year(%)**	**5year(%)**
Fund Return (FR)	18.8	-0.1	12.4	5.9
Bench Mark Return (BSE-100)	13.9	-4.0	3.7	1.9
Deviation in Return	4.9	3.9	**8.7**	4.0

***Source**: moneycontrol.com & mutualfundsindia.com*

Table 7: Religare Tax Plan –Return Analysis

Particulars	1 year(%)	2year(%)	3year(%)	5year(%)
Fund Return (FR)	10.4	-0.9	10.2	7.6
Bench Mark Return (BSE-100)	13.9	-4.0	3.7	1.9
Deviation in Return	-3.5	3.1	**6.5**	5.7

***Source**: moneycontrol.com & mutualfundsindia.com*

Table 8: Franklin Templeton Tax Shield –Return Analysis

Particulars	1 year(%)	2year(%)	3year(%)	5year(%)
Fund Return (FR)	12.7	2.2	11.8	7.0
Bench Mark Return (CNX-500)	15.9	-5.1	3.2	1.3
Deviation in Return	-3.2	7.3	**8.6**	5.7

***Source:** moneycontrol.com, mutualfundsindia.com*

Table 9: Risk Analysis of all ELSS schemes at a glance

Risk Ratio (in %)	HDFC	Reliance	Religare	ICICI	F.Templeton
Alpha	0.07	0.09	0.07	0.07	0.06
Beta	0.83	0.83	0.76	0.76	0.81
Standard Deviation	3.46	3.64	3.34	3.33	3.32
Sharpe Ratio	0.08	0.08	0.08	0.10	0.08

***Source**:hdfcsec.com,reliancemutual.com,religaremf.com,icicipruamc.com, franklintempletonindia.com*