***Financial market is back bone of any economy.***

***Innovation in financial instruments has given rise to mutual***

***funds. Mutual funds are novel financial service which emerged***

***in India during the year 1964. As mutual funds are***

***professionally managed it is expected to give good return and***

***also gives advantage of liquidity and diversification. Indian***

***mutual fund industry has undergone a radical change and has***

***grown by leaps and bounds in terms of products and asset under***

***management. Right now Indian mutual industry is managing***

***Rs. 16.5 Lakh Crore of funds. It has introduced many products***

***such as income funds, equity funds, balanced funds, money***

***market funds, fund of funds and many others. Out of these funds***

***equity funds constitutes a major proportion. Equity funds are of***

***many types such as sectoral funds, index funds, Equity Linked***

***tax saving schemes, diversified funds etc. Out of these funds***

***index funds is one of the recent origin which offers the primary***

***advantage of earning the return equal to stock market. Index***

***funds will follow a passive investment strategy where investment***

***under these funds will replicate the movements of benchmark***

***indices like Nifty, Sensex etc. Index funds are of wide range***

***offered by many asset management companies. Identifying right***

***schemes will benefit the investor by providing superior return.***

***Thus in this study an attempt is made to analyse the performance***

***of index mutual fund schemes listed in National Stock exchange.***

***The study has taken 3 years data pertained to index mutual fund***

***schemes to understand about its performance, risk etc.***

***According to present study out of 13 mutual fund schemes 7 have***

***returns higher than the nifty index. The study result based on***

***three years data show the top three funds are HDFC Index Fund***

***Nifty Plan, IDFC Nifty Fund Growth and UTI Nifty Index Fund***

***– Growth. The bottom three funds are SBI Nifty Index, LIC***

***Index Fund- Nifty- Growth, and IDBI Nifty Index Fund.***