



STUDY OF RISK OF SELECTED ELSS EQUITY MUTUAL FUNDS

Dr. Sunil M. Adhav

Faculty of Management (PG), MIT-WPU's School of Management (PG),

Dr. Vishwanath Karad MIT-World Peace University, Pune, India

ABSTRACT

Indian mutual fund industry is in growth phase over many years. In this research paper examined risk of selected An Equity-Linked Savings Scheme (ELSS) Equity Mutual Funds. For study taken selected ELSS Equity Mutual Funds schemes. Taken 10 ELSS Equity Mutual Funds Direct Plan for the study. The risk of selected ELSS Equity Mutual Funds examined with the help of Standard Deviation and Average Return.

The average of average annual return of ELSS Equity Mutual Funds is 16.13% for the selected mutual funds. The average annual return is highest 21.08% for Mirae Asset Tax Saver Fund Direct Plan Growth ELSS and average annual return is lowest 12.77% for Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS

The average standard deviation is 18.91 for ELSS Equity Mutual Funds. The standard deviation is highest 29.18 for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS and standard deviation is lowest 13.85 for Kotak Tax Saver Scheme Direct Plan Growth ELSS for the period 2016-2020.

The above study show that standard deviation is highest 29.18 for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS so it is very high risky ELSS Equity Mutual Fund. Standard deviation is lowest 13.85 for Kotak Tax Saver Scheme Direct Plan Growth ELSS so it is low risk ELSS Equity Mutual Fund.

Key words: ELSS Equity Mutual Funds, Risk, Return, Average return, Standard Deviation.

Cite this Article: Sunil M. Adhav, Study of Risk of Selected ELSS Equity Mutual Funds, *International Journal of Management (IJM)*, 12(4), 2021, pp. 696-699.

<https://iaeme.com/Home/issue/IJM?Volume=12&Issue=4>

1. INTRODUCTION

Mutual fund is popular among individual investors for investment. Individual investors indirectly make money available to capital market in defined approach so that they increase return on investment. Mainly in the research paper study of selected An Equity-Linked Savings Scheme (ELSS) Equity Mutual Funds. Investors are more tending towards ELSS because it gives two main benefits tax saving & return. An Equity-Linked Savings Scheme (ELSS) is the

tax-saving fund & come under Section 80C. Mutual fund industry in India is in growth phase. To identify the risk of mutual funds is important for investment purpose. Research paper will help investors to understand the risk of selected ELSS Equity Mutual Funds. It will benefits to individual investors, researchers & mutual fund companies in India.

2. REVIEW OF LITERATURE

- (Prajapati., 2012) In this research paper performance of particular Indian mutual funds calculated by risk-return analysis and most of the mutual funds shown positive return during the time period of the study.
- (S.Vasantha, Maheswari, & Subashini, 2013) In this research paper maximum of funds shows negative return so no one fund show decent performance.

3. OBJECTIVES OF RESEARCH

Objective of the study:

- To compare the risk of selected Equity-Linked Savings Scheme (ELSS) Equity Mutual Funds schemes with the help of Standard Deviation & Annual Return.

4. RESEARCH METHODOLOGY

This Research Paper contains comparative study of risk of selected ELSS Equity Mutual Funds. There are total 10 ELSS Equity Mutual Funds schemes are selected for the study. BOI AXA Tax Advantage Fund Direct Plan Growth ELSS, Canara Robeco Equity Tax Saver Direct Plan Growth ELSS, Quant Tax Plan Direct Plan Growth ELSS, Mirae Asset Tax Saver Fund Direct Plan Growth ELSS, BNP Paribas Long Term Equity Fund Direct Plan Growth ELSS, Axis Long Term Equity Fund Direct Plan Growth ELSS, Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS, JM Tax Gain Fund (Direct) Growth ELSS, Kotak Tax Saver Scheme Direct Plan Growth ELSS, PGIM India Long Term Equity Fund Direct Plan Growth ELSS.

The risk of ELSS Equity Mutual Funds is calculated with help of standard deviation and average return for earlier five years (2016-20).

For this study secondary data is used. Data of mutual funds taken from the websites www.moneycontrol.com

5. DISCUSSION AND ANALYSIS

The risks of ELSS Equity Mutual Funds are calculated with the help of Standard Deviation and Average Return. Following table show volatility of ELSS Equity Mutual Funds

Table 1 Risk of ELSS Equity Mutual Funds

Fund/Year/Annual Return%	2020	2019	2018	2017	2016	Average Annual Return%	SD
BOI AXA Tax Advantage Fund Direct Plan Growth ELSS	31.85	16.33	-15.42	59.93	-0.36	18.47	29.18
Canara Robeco Equity Tax Saver Direct Plan Growth ELSS	28.27	12.22	4.20	33.02	-0.09	15.52	14.59
Quant Tax Plan Direct Plan Growth ELSS	49.85	4.08	-3.29	36.24	13.04	19.98	22.36

Study of Risk of Selected ELSS Equity Mutual Funds

Mirae Asset Tax Saver Fund Direct Plan Growth ELSS	23.14	16.40	-0.32	49.80	16.36	21.08	18.24
BNP Paribas Long Term Equity Fund Direct Plan Growth ELSS	18.86	16.01	-8.12	43.81	-6.44	12.82	21.31
Axis Long Term Equity Fund Direct Plan Growth ELSS	21.18	16.41	4.32	38.99	-0.14	16.15	15.43
Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS	14.82	4.56	-3.61	44.13	3.94	12.77	18.72
JM Tax Gain Fund (Direct) Growth ELSS	19.10	15.98	-3.12	44.14	7.05	16.63	17.64
Kotak Tax Saver Scheme Direct Plan Growth ELSS	16.23	13.92	-2.21	35.65	8.39	14.40	13.85
PGIM India Long Term Equity Fund Direct Plan Growth ELSS	18.88	9.89	-4.01	41.30	1.45	13.50	17.79
Average of ELSS Equity Fund						16.13	18.91

Compiled by author

Table 1 shows the risk of ELSS Equity Mutual Funds for the years 2016-2020. The table I shows the annual return for the past five years, Average Return of ELSS Equity Mutual Funds and Standard Deviation of ELSS Equity Mutual Funds for the selected mutual funds

Annual return of ELSS Equity Mutual Funds is highest 49.85% for Quant Tax Plan Direct Plan Growth ELSS and annual return is lowest 14.82% Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS for the year 2020.

The annual return of ELSS Equity Mutual Funds is highest 16.41% for Axis Long Term Equity Fund Direct Plan Growth ELSS and annual return is lowest 4.08% for Quant Tax Plan Direct Plan Growth ELSS for the year 2019.

The annual return of ELSS Equity Mutual Funds is highest 4.32% for Axis Long Term Equity Fund Direct Plan Growth ELSS and annual return is lowest -15.42% for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS for the year 2018

The annual return of ELSS Equity Mutual Funds is highest 59.93% for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS and annual return is lowest 33.02% for Canara Robeco Equity Tax Saver Direct Plan Growth ELSS for the year 2017.

The annual return of ELSS Equity Mutual Funds is highest 16.36% for Mirae Asset Tax Saver Fund Direct Plan Growth ELSS and annual return is lowest -6.44% for BNP Paribas Long Term Equity Fund Direct Plan Growth ELSS for the year 2016.

The average of average annual return of ELSS Equity Mutual Funds is 16.13% for the selected mutual funds. The average annual return is highest 21.08% for Mirae Asset Tax Saver Fund Direct Plan Growth ELSS and average annual return is lowest 12.77% for Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS

The average standard deviation is 18.91 for ELSS Equity Mutual Funds. The standard deviation is highest 29.18 for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS and standard deviation is lowest 13.85 for Kotak Tax Saver Scheme Direct Plan Growth ELSS for the period 2016-2020.

6. CONCLUSION

Above detailed analysis realize that the average of average annual return of ELSS Equity Mutual Funds is 16.13% for the selected mutual funds. The average annual return is highest 21.08% for Mirae Asset Tax Saver Fund Direct Plan Growth ELSS and average annual return is lowest 12.77% for Aditya Birla Sun Life Tax Plan Direct Plan Growth ELSS

The average standard deviation is 18.91 for ELSS Equity Mutual Funds. The standard deviation is highest 29.18 for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS and standard deviation is lowest 13.85 for Kotak Tax Saver Scheme Direct Plan Growth ELSS for the period 2016-2020.

The above study show that standard deviation is highest 29.18 for BOI AXA Tax Advantage Fund Direct Plan Growth ELSS so it is very high risky ELSS Equity Mutual Fund. Standard deviation is lowest 13.85 for Kotak Tax Saver Scheme Direct Plan Growth ELSS so it is low risk ELSS Equity Mutual Fund

REFERENCES

- [1] APrajapati., K. P. (2012). Comparitive Study of Performance Evaluation of Mutuual Fund Schemes of Indian Companies. "Journal of Arts, Science & Commerse", pg.47-59.
- [2] S.Vasantha, Maheswari, U., & Subashini, K. (2013). "Evaluating the Performance of Some Selected open Ended Equity Diversified Mutual Fund in Indian Mutual Fund Industry". International Journal of Innovationresearchin Science Engineering and Technology, pg.4735-4744.
- [3] www.moneycontrol.com