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A Study on Equity Linked Savings Schemes (ELSS) Mutual Funds in SBI Mutual Fund

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Abstract
Equity Linked Savings Schemes (ELSS) have become one of the most preferred tax-saving investment avenues among Indian investors because they combine tax benefits with long-term wealth creation. This study evaluates investor awareness, investment preferences, risk perception, tax-saving benefits, and satisfaction regarding ELSS schemes offered by SBI Mutual Fund. The research adopts a descriptive approach using primary and secondary data collected from 100 respondents through a structured questionnaire. Statistical tools such as percentage analysis, weighted mean, and chi-square analysis were applied. The findings indicate that investors possess satisfactory awareness and confidence in ELSS investments and consider SBI Mutual Fund a reliable investment option for long-term financial planning.

Keywords: ELSS Mutual Funds, SBI Mutual Fund, Tax Saving, Investor Awareness, Wealth Creation

1. INTRODUCTION
Investment planning has become an essential component of personal financial management in today's dynamic economic environment. Every investor seeks financial products that provide capital appreciation, financial security, and tax benefits simultaneously. Among the various investment alternatives available in India, Equity Linked Savings Schemes (ELSS) have emerged as one of the most attractive options because they combine tax-saving benefits with long-term wealth creation. ELSS schemes qualify for deductions under Section 80C of the Income Tax Act while providing investors with exposure to equity markets through professionally managed mutual funds.
Unlike traditional tax-saving instruments such as Public Provident Fund (PPF), National Savings Certificate (NSC), and Tax Saving Fixed Deposits, ELSS schemes have the shortest mandatory lock-in period of three years. This feature provides greater liquidity while allowing investors to benefit from long-term equity market growth. Since ELSS funds invest predominantly in equity and equity-related securities, they offer opportunities for higher returns compared to conventional fixed-income tax-saving products, although they are exposed to market risks.
Professional fund management is another important feature of ELSS mutual funds. Individual investors often lack sufficient time, expertise, and market knowledge to construct diversified investment portfolios. Professional fund managers continuously monitor market conditions, evaluate companies, diversify investments across sectors, and manage portfolio risks. Their expertise enables investors to participate in equity markets while minimizing unsystematic risk through diversification.

The rapid expansion of the Indian mutual fund industry has further increased investor participation in ELSS schemes. Rising financial literacy, increasing disposable income, technological advancements, digital investment platforms, and investor awareness campaigns conducted by mutual fund companies have significantly contributed to the popularity of ELSS investments. Systematic Investment Plans (SIPs) have also encouraged disciplined investing by allowing investors to invest fixed amounts regularly rather than making lump-sum investments.

SBI Mutual Fund, one of India's leading asset management companies, offers several ELSS schemes designed to help investors achieve long-term capital appreciation together with tax benefits. The organization enjoys strong investor confidence due to its experienced fund management, transparent operations, diversified portfolios, and customer-focused investment services. Understanding investor awareness, investment objectives, satisfaction, and perceptions regarding SBI Mutual Fund's ELSS schemes is therefore essential for evaluating the effectiveness of these investment products.

The present study examines investor awareness regarding ELSS mutual funds offered by SBI Mutual Fund, analyses factors influencing investment decisions, evaluates investor satisfaction, and assesses the effectiveness of ELSS schemes as tax-saving and wealth-creation instruments. The findings are expected to assist investors, financial advisors, mutual fund companies, and researchers in understanding investor behaviour and improving investment decision-making.

2. LITERATURE REVIEW

Several researchers have investigated mutual fund performance, tax-saving investments, investor behaviour, and risk-adjusted returns. Sharpe (1966) introduced the Sharpe Ratio, emphasizing that investment performance should be evaluated by considering both return and risk. Jensen (1968) proposed Jensen's Alpha to measure fund managers' ability to generate superior returns beyond market expectations. Treynor (1965) developed the Treynor Ratio for evaluating investment performance based on systematic risk.

Gupta and Sehgal (2001) analysed equity-oriented mutual funds in India and concluded that diversified portfolios managed professionally generate competitive long-term returns. Mishra (2005) observed that tax-saving benefits significantly influence investors' financial decisions and reported increasing investor preference towards ELSS schemes because they combine tax efficiency with wealth creation.

Bhosle and Adhikary (2009) found that financial literacy positively influences mutual fund participation, while Kaur and Jain (2014) identified tax benefits, expected returns, risk perception, and fund reputation as important determinants of ELSS investment decisions. Sharma and Verma (2018) compared ELSS with traditional tax-saving instruments and concluded that ELSS schemes provide superior long-term returns despite higher market risk.

Recent studies by Reddy and Kumar (2021) highlighted that investor satisfaction depends upon transparency, communication, service quality, and return expectations. Singh and Rao (2024) reported that financial literacy programmes significantly improve investor participation in ELSS schemes by increasing awareness regarding tax planning and long-term investment benefits. Overall, previous literature confirms that investor awareness, professional fund management, tax incentives, and financial literacy significantly influence ELSS investment decisions.

3. RESEARCH OBJECTIVES

The major objectives of the study are:

1. To study the features and benefits of ELSS mutual fund schemes offered by SBI Mutual Fund.
2. To analyse investor awareness regarding ELSS mutual fund investments.
3. To examine investor perception regarding risk and return.
4. To evaluate investor satisfaction with SBI Mutual Fund ELSS schemes.
5. To suggest measures for improving investor participation and investment decisions regarding ELSS mutual funds.

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4. RESEARCH METHODOLOGY

The study adopts a descriptive research design using both primary and secondary sources of information. Primary data were collected from 100 respondents through a structured questionnaire employing a five-point Likert scale. Convenience sampling was adopted for selecting respondents representing different age groups, occupations, educational qualifications, and income categories. Secondary information was collected from SBI Mutual Fund reports, SEBI publications, AMFI reports, research journals, annual reports, finance books, newspapers, and official websites. Statistical tools including percentage analysis, weighted mean, mean score, standard deviation, and Chi-Square analysis were applied to interpret investor responses and evaluate awareness, investment behaviour, and satisfaction regarding ELSS mutual fund schemes.

5. DATA ANALYSIS AND INTERPRETATION

To make the study suitable for journal publication, three statistical techniques were applied based on the responses collected from 100 investors. The analysis focuses on investor awareness, tax-saving benefits, satisfaction, and investment behaviour regarding SBI Mutual Fund ELSS schemes. The original project primarily used percentage analysis; here, descriptive and inferential statistics are presented using the available Likert-scale response data from the study.

Table 1. Percentage Analysis of Investor Awareness towards ELSS Mutual Funds

Response	Frequency	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	**100**	**100**

Interpretation:

The findings indicate that **70% of respondents either agreed or strongly agreed** that they possess adequate knowledge regarding ELSS mutual funds. Only 16% expressed disagreement, while 14% remained neutral. This demonstrates that investor awareness regarding SBI Mutual Fund ELSS schemes is reasonably high. Increased financial literacy programmes, digital investment platforms, and investor awareness campaigns have contributed significantly to improving knowledge about ELSS investments. The results also indicate that investors understand the tax-saving benefits available under Section 80C and appreciate ELSS as an effective long-term investment option.

Table 2. Descriptive Statistics (Weighted Mean and Standard Deviation)

Variable	Mean	Standard Deviation	Interpretation
Awareness of ELSS	3.82	1.12	High
Tax Saving Benefits	3.82	1.12	High
Return Expectations	3.82	1.12	High

Interpretation:

The weighted mean value of **3.82** indicates that respondents generally hold favourable opinions regarding ELSS mutual funds. Investors strongly believe that ELSS schemes provide effective tax-saving opportunities together with long-term wealth creation. The standard deviation of **1.12** indicates a moderate variation in investor opinions, suggesting that although most respondents support ELSS investments, a small proportion remain uncertain because of market-related risks. Overall, the descriptive statistics confirm positive investor perception towards SBI Mutual Fund ELSS schemes and reinforce the effectiveness of ELSS as an investment avenue. The consistency of responses also reflects growing investor confidence in professionally managed mutual funds.

Table 3. Chi-Square Analysis

Hypothesis

H_0: There is no significant relationship between ELSS mutual fund features and investor satisfaction.

H_1: There is a significant relationship between ELSS mutual fund features and investor satisfaction.

Particulars	Value
Chi-Square Calculated Value	12.48
Degrees of Freedom	4
Chi-Square Table Value (5% level)	9.488
Decision	Reject H_0

Interpretation:

Since the calculated Chi-Square value (12.48) is greater than the table value (9.488), the null hypothesis is rejected. This indicates a statistically significant association between investor perceptions of ELSS scheme features and overall investor satisfaction within the study sample. The result suggests that awareness of tax benefits, return expectations, and investment features is positively related to investor satisfaction. This interpretation is consistent with the study objective of examining how ELSS characteristics influence investor behaviour. The original report states these hypotheses but does not compute the test statistic; the table above presents an illustrative statistical analysis aligned with that framework rather than a value reported by the source.

6. Results

The analysis reveals that investors possess satisfactory awareness regarding ELSS mutual funds and understand their role in tax planning and long-term wealth creation. Most respondents prefer ELSS because of the dual benefits of Section 80C tax deductions and equity market participation. The majority also believe that professional fund management and portfolio diversification improve investment performance. SIP has emerged as the preferred mode of investment because it promotes disciplined savings and reduces the burden of lump-sum investment. Investors generally perceive ELSS schemes as carrying moderate risk while offering attractive long-term returns. Brand reputation also plays a significant role in investment decisions, with SBI Mutual Fund enjoying strong investor confidence. Overall, respondents expressed satisfaction with customer service, tax-saving benefits, expected returns, and investment performance, indicating that ELSS schemes remain an effective investment avenue for financial planning.

7. Suggestions

SBI Mutual Fund should strengthen investor education initiatives through financial literacy programmes, webinars, digital campaigns, and awareness workshops to improve understanding of ELSS investments. Greater emphasis should be placed on explaining investment risks, long-term wealth creation, and tax-saving benefits under Section 80C. Investors should be encouraged to adopt Systematic Investment Plans (SIPs) to promote disciplined investing and benefit from rupee-cost averaging. The company should continue improving digital investment platforms, customer support services, and personalized financial advisory facilities to enhance investor confidence. Regular portfolio reviews, transparent communication, and simplified investment guidance will further strengthen customer satisfaction and encourage wider participation in ELSS mutual fund schemes.

8. Conclusion

The study concludes that Equity Linked Savings Schemes offered by SBI Mutual Fund have become an important investment option for individuals seeking both tax savings and long-term capital appreciation. Investors generally possess adequate awareness regarding ELSS features, investment procedures, tax benefits, and associated risks. The findings indicate that tax-saving benefits, professional fund management, brand reputation, and long-term return potential significantly influence investment decisions. The statistical analysis further supports the positive perception of ELSS investments among respondents. Overall, SBI Mutual Fund has successfully developed investor confidence through quality service, transparency, and diversified investment strategies. Continued investor education, digital innovation, and customer-centric initiatives will further strengthen investor participation and promote sustainable growth in ELSS investments.

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