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EDITORIAL

We feel honoured and privileged to present the Bi-Annual Peer Reviewed Refereed Journal, ISSN (Online): 2583-5203, Volume 4, No. 01, June, 2025 among our esteemed readers and academic fraternity.

This Journal is the outcome of the contributions of insightful research-oriented papers/articles by various eminent academicians, and research scholars in a highly organized and lucid manner with a clear and detailed analysis related to the emerging areas in the fields of Social Sciences and Allied Areas.

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We also express our sincere thanks and gratitude to all the contributors to research papers/articles who have taken pain in preparing manuscripts, incorporating reviewer(s) valuable suggestions and cooperating with uxs in every possible way.

We also express our heartfelt gratitude to all the esteemed members of the Editorial Board, Esteemed Reviewer(s) who despite their busy schedules have given their valuable time, suggestions and comments to enrich the quality of the contributory resears paper(s) in bringing to light this June issue.

Last, but not least, we revere the patronage and moral support extended by our parents and family members whose constant encouragement and cooperation made it possible for us to complete on time.

We would highly appreciate and look forward to your valuable suggestions, comments and feedback at **editorbr2022@gmail.com**

June, 2025
West Bengal, India

PEMA LAMA
Editor-in-Chief

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RESEARCH ARTICLE

Investing with a Conscience: Examining the Performance of ESG-themed Mutual Funds in India

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ABSTRACT

ESG-focused investing options have begun to develop as investors increasingly become more aware. Although ESG investments are presently in their infancy in India, they are steadily gaining popularity. A look at the net assets managed by ESG-themed mutual funds serves as compelling evidence in this regard in this regard. Understanding ESG themes, exploring challenges and opportunities before ESG investing in India, analysing ESG fund performance using risk-return metrics and comparing ESG fund performance to a benchmark index are the objectives of the study. Based on secondary data, the study's duration runs from December 2020 to December 2023 for six funds and from December 2013 to December 2023 for one fund. The study focuses on the Direct Plan of open-ended ESG mutual funds, not the Regular Plan. The current study emphasises the Growth option over the Dividend option.

The study found that all funds beat the benchmark index in one year, and four of seven did so over three years in terms of risk-adjusted return. Axis ESG Equity Fund generated the least risk-adjusted return in three years. Further, the Fund Managers demonstrated superior stock-picking skills. Four out of seven ESG Funds exhibited RSQ values over 0.8, which implies that those funds were adequately diversified. The Quant ESG Equity Fund stood out as the sole aggressive fund for one year. However, all funds maintained a conservative approach for three years. Quant ESG Equity Fund had the highest SIP returns for 1 year and 3 years, followed by ICICI Prudential ESG Fund. The worldwide pandemic has made investors comprehend how important it is to consider future sustainability when making investments. As a result, ESG investing is growing into an increasingly important consideration.

1 INTRODUCTION

The present era witnessed a surge in mutual funds, Exchange-traded funds (ETFs), portfolio management services (PMS), and Alternate Investment Funds (AIFs) with a focus on the ESG theme. Investors in today's world are more cautious and informed. These investors start participating in ESG investments gradually to make their portfolios diversified. In recent times, the world has experienced slow but steady growth in the field of regulations concerning ESG (Environmental, Social and Governance) investments. The focus of the regulation is more on fostering accountability and transparency. In India, the Securities and Exchange Board of India (SEBI) regulates ESG investments. As per the SEBI mandate, the top 1000 exchange-listed companies (by market capitalisation) have to fulfil specific ESG disclosure requirements via 'Business Responsibility and Sustainability Reporting (BRSR)' from 2022-23. Through AMFI, SEBI regulates ESG-based reporting for thematic mutual fund schemes. The origin of ESG investing can be traced back to the 1960s in the form of socially responsible investing (SRI). Investors began to avoid investing in companies linked to tobacco production or the South African apartheid approach.

Over time, a company that sticks to an ESG investment philosophy may become a sustainable enterprise. This is the main justification for the widespread use of the term sustainable investing to mean ESG investing (Sajumon, 2023). Although ESG investing is still relatively new in India, it is gaining popularity, especially among a particular group of investors. The growing number of assets managed by ESG funds in India substantiates this fact. Due to growing investor attraction, legislative encouragement, and a better grasp of company potential, ESG investing is expanding quickly in India.

2 SIGNIFICANCE OF THE STUDY

In contemporary periods, ESG investing in India in general and investment in ESG-themed mutual funds in particular recorded a steady rise. Yet it is an early stage. A solid foundation is needed to advance this concept. Retail Indian investors lack awareness of the pros and cons of ESG investing. This study examines the performance of ESG mutual funds in India. It may aid in providing some insight into how ESG funds perform. This, in turn, may be beneficial for investors to make informed decisions as to ESG investing in developing nations like ours.

3 BRIEF LITERATURE REVIEW

A concise examination of selected works on the ESG theme is given here.

Sudha (2014) analysed the performance of the S&P ESG index with the Nifty and S&P CNX 500 from January 2005 to September 2012 and observed that the annualised returns of the ESG index beat the general market return. Further, the ESG index exhibited lower volatility compared to broad market indices. Chelawat and Trivedi (2015) noticed the outperformance of the ESG India Index against the traditional benchmark index from the perspective of return, indicating that ESG investing in India can enhance investor return by maintaining almost similar levels of risk. Ghosh and Paul (2020) found that the SBI Magnum Equity ESG Fund (Growth) has performed reasonably well for the indices when looking at a short-term period of 1 year, a medium-term period of 5 years, and a long-term period of 8 years.

According to Ouchen (2021), the MSCI USA ESG Select portfolio is less volatile than the broader benchmark portfolio S&P 500. Singh & Maurya (2021) discovered a positive growth trend (statistically significant) in the Nifty 100 ESG index during the study period (April 2011- December 2021). According to them, long-term investments incorporating ESG factors increase an investor's wealth. Furthermore, the return on the ESG index and the market index were positively associated. That apart, the ESG index yielded a positive return during periods of significant volatility in the market. Finally, ESG indices outperformed during economic and financial crises since they are considered less risky investments. Vadithala and Tandoori (2021) noted that ESG indices performed better after COVID-19 than before. It implies that during economic downturns, investors tend to prioritise ethical and sustainable firms. Sarangi (2021) witnessed a shift from discretionary to obligatory ESG compliance in the field of regulation in India. Further, the researcher noticed better performance of companies in issues relating to disclosure and governance than in aspects related to environment and society.

Sarkar (2022) observed that Quant ESG Equity Fund and Invesco India ESG Equity Fund performed well, but SBI Magnum Equity ESG Fund (the oldest fund in this category) has not been able to live up to the expectations of the investors. Dutta & Paul (2023) observed that most of the chosen ESG funds were defensive and adequately diversified, but fund managers exhibited poor stock-selection skills. Further, most funds underperformed the benchmark in terms of risk-adjusted return. Thakur & Jena (2023) stated that it is critical to clarify and enlighten investors about the advantages associated with ESG investing and how it adds value in the long run. The short-term performance of ESG funds does not serve as a reliable indicator of their high potential. Sultana (2023) noted with surprise that in spite of regulatory efforts and a growing understanding of the green economy and climate dangers, the interest of investors in ESG-themed mutual funds is dwindling. Such funds witnessed net outflows and low AUMs. Sajumon (2023) opined that ESG funds are only for investors with a high-risk tolerance who are aware of the pros and cons of such funds and willing to invest for the long term. Vishali & MK (2024) noted that the ICICI Prudential ESG Fund's Direct Plan-Growth option outperforms other schemes among the selected ESG funds in India. Conversely, the Aditya Birla Sun Life ESG Fund's Direct Plan-Growth option demonstrates the lowest performance among these schemes.

4 OBJECTIVES OF THE STUDY

The objectives of the study are as follows -

- To comprehend ESG themes
- To examine opportunities and challenges before ESG investing in India
- To analyse ESG fund performance using risk-return parameters, and
- To compare ESG fund performance to a benchmark index

5 METHODOLOGIES ADOPTED

This research is a mixture of exploratory and empirical types. The exploratory section of the research is based on current literature, which includes items published in magazines, newspapers, reports, journals, and online sources. This research relies on secondary data. The time of the study spans from December 2020 to December 2023 for 6 (six) funds and from December 2013 to December 2023 for 1 (one) fund. The reason is that only one fund (SBI Magnum Equity ESG Fund) has been in existence for more than ten (10) years, whereas the remaining funds have just completed three years of their journey. The consequences of 'Entry Load', 'brokerage', and 'Exit Load' are not considered. The NSE Nifty 100 ESG TRI is selected as the study's benchmark index. The risk-free rate of return is set at 7.1% (the current rate of the Public Provident Fund scheme of the Government of India for Q4 of the Financial Year 2023-24). The study looks at the "Direct Plan" of open-ended ESG mutual funds, not the "Regular Plan".

This study considers seven ESG funds from seven asset management companies (AMCs), namely Aditya Birla Sun Life, Axis, ICICI Prudential, Kotak, Quant, Quantum and SBI. The study considers schemes that have been in existence for more than three years. All schemes that satisfy these requirements are chosen. These schemes are Aditya Birla Sun Life ESG Fund (ABSLESGF), Axis ESG Equity Fund (AXISESGEF), ICICI Prudential ESG Fund (ICICIPESGF), Kotak ESG Opportunities Fund (KESGOF), Quant ESG Equity Fund (QESGEF), Quantum India ESG Equity Fund (QIESGEF) and SBI Magnum Equity ESG Fund (SBIMEESGF). The present analysis focuses on the "Growth" option rather than the "Dividend" option. The month-end Net Asset Values (NAVs) for the ESG funds were collected from the AMFI's official website. The month-end closing values for the benchmark index were derived from the National Stock Exchange's official website. The monthly returns of the chosen ESG funds (Resg) and those of the benchmark index (Rbi) were computed as follows:

$$R_{esg} = [(NAV_t - NAV_{t-1}) / NAV_{t-1}] * 100$$

$$R_{bi} = [(Value_t - Value_{t-1}) / Value_{t-1}] * 100$$

Where, NAV_t = Closing NAV of the ESG funds for month t, NAV_{t-1} = Closing NAV of the ESG funds for the preceding month (t-1), $Value_t$ = Closing Value of the Benchmark Index for month t, $Value_{t-1}$ = Closing Value of the Benchmark Index for the preceding month (t-1). Similarly, the annualised Standard Deviation of the chosen ESG funds (SD_{esg}) and benchmark index (SD_{bi}) were calculated to assess total risk. Measures such as compound annual growth rate (CAGR), standard deviation (SD), Sharpe ratio, Jensen alpha, coefficient of determination, beta and SIP return have been used.

6 ANALYSIS AND INTERPRETATION

This section incorporates opportunities and challenges associated with ESG investing and the performance of the chosen ESG funds from different perspectives. For measuring the performance of the chosen ESG funds, tools like CAGR, Standard Deviation, Sharpe Ratio, Alpha, Coefficient of Determination, Beta and SIP return are applied.

Opportunities for ESG Investing

The proponents of ESG investing think that such investing has a great prospect in India. ESG investing in India across different financial instruments, according to them, offers opportunities and advantages to investors. Investors will positively contribute to the environment and society by investing in ESG-focused instruments, thereby leading to sustainability. Further, it is often seen that ESG-based investments provide decent performance over longer periods. This factor may attract investors towards ESG investing. The supporters of ESG investing also believe that environmental awareness among individuals is on the rise. At the same time, societal issues are also brought to the attention of the people to a great extent. The positive role of the regulator fosters the ESG investing process.

Challenges Before ESG Investing

Challenges before ESG investing are plenty. Some key challenges are presented below.

- *Conventional Attitude:* Lots of investors and fund managers regard ESG as an unwarranted cost. This factor acts as a barrier to the expansion of ESG investing in India.
- *Lack of Understanding:* Although ESG investing is gradually gaining acceptance among investors, many are ignorant of it. To bring more individuals under the purview of ESG investing, aware investors of the merits of such investing have to be made a top priority.
- *Inadequate Historical Data:* ESG investing and ESG-themed funds have a limited track record in India. As a result, there is not enough historical data for ESG funds or other ESG investment options. It may discourage many investors from considering this investment choice.

Performance Measurement of ESG Funds

Table 1 shows the Compound Annual Growth Rate (CAGR) of the selected ESG Funds and the Benchmark Index.

Table 1

COMPOUND ANNUAL GROWTH RATE (CAGR) OF THE SELECTED ESG FUNDS AND BENCHMARK INDEX

ESG FUND	CAGR (%)					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	23.82876	15.11326	XXXXX	XXXXX	XXXXX	6	6
AXISESGEF	25.86095	12.5115	XXXXX	XXXXX	XXXXX	3	8
ICICIPESGF	33.52685	17.54278	XXXXX	XXXXX	XXXXX	1	2
KESGOF	22.46619	15.06751	XXXXX	XXXXX	XXXXX	8	7
QESGEF	27.46726	35.73916	XXXXX	XXXXX	XXXXX	2	1
QIESGEF	25.82547	17.04121	XXXXX	XXXXX	XXXXX	4	4
SBIMEESGF	25.43933	17.44677	16.45573	15.8429	15.87915	5	3
BENCHMARK	23.35957	16.5576	16.93294	17.36419	15.60422	7	5

Source: Computed by the Researchers

It is evident from Table 1 that, except for KESGOF, all the funds outperformed the benchmark index in 1 year in terms of CAGR. In 3 years, 4 out of 7 funds performed better than the benchmark. ICICIPESGF, QESGEF, QIESGEF and SBIMEESGF outperformed the benchmark in both 1 year and 3 years. ICICIPESGF remained the best performing fund in 1 year, and QESGEF stood first in 3 years. KESGOF was the only fund which underperformed the benchmark in both 1 year and 3 years. SBIMEESGF underperformed the benchmark index in 5 years and 7 years, but performed a bit better than the benchmark in 10 years.

Table 2
STANDARD DEVIATION OF THE SELECTED ESG FUNDS AND BENCHMARK INDEX

ESG FUND	SD (%)					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	11.06869	14.66237	XXXXX	XXXXX	XXXXX	3	7
AXISESGEF	11.7037	14.16215	XXXXX	XXXXX	XXXXX	5	6
ICICIPESGF	9.922627	11.22752	XXXXX	XXXXX	XXXXX	1	1
KESGOF	11.92107	13.12194	XXXXX	XXXXX	XXXXX	6	4
QESGEF	15.18441	17.18234	XXXXX	XXXXX	XXXXX	8	8
QIESGEF	10.15168	11.64783	XXXXX	XXXXX	XXXXX	2	2
SBIMEESGF	11.10027	12.65582	18.31623	16.76414	16.73183	4	3
BENCHMARK	13.06037	13.84324	18.33178	17.1545	16.36104	7	5

Source: Computed by the Researchers

In terms of total risk, Table 2 reveals that ICICIPESGF stood out first both in 1 year and 3 years. Excepting QESGEF, all funds outperformed the benchmark index in 1 year, whereas 4 (ICICIPESGF, QIESGEF, SBIMEESGF and KESGOF) out of 7 funds performed better than the benchmark in 3 years. ICICIPESGF, KESGOF, QIESGEF and SBIMEESGF outperformed the benchmark index in both 1 year and 3 years. QESGEF was the riskiest fund in 1 year and 3 years, and it underperformed the benchmark during these two periods as well. SBIMEESGF performed better than the benchmark in 5 years and 7 years, but underperformed the benchmark index in 10 years.

Table 3 depicts the risk-adjusted return generated by the selected ESG Funds and the Benchmark Index. For this purpose, the Sharpe Ratio has been used.

Table 3: Risk-adjusted Return generated by the selected ESG Funds and the Benchmark Index

ESG FUND	SHARPE RATIO					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	1.511359	0.546519	XXXXX	XXXXX	XXXXX	5	7
AXISESGEF	1.602993	0.38211	XXXXX	XXXXX	XXXXX	4	8
ICICIPESGF	2.663292	0.930106	XXXXX	XXXXX	XXXXX	1	2
KESGOF	1.288995	0.60719	XXXXX	XXXXX	XXXXX	7	6
QESGEF	1.341328	1.666779	XXXXX	XXXXX	XXXXX	6	1
QIESGEF	1.844569	0.853481	XXXXX	XXXXX	XXXXX	2	3
SBIMEESGF	1.652152	0.81755	0.510789	0.521524	0.524697	3	4
BENCHMARK	1.244954	0.683193	0.536388	0.598338	0.519785	8	5

Source: Computed by the Researchers

A look at Table 3 reveals that all funds outperformed the benchmark index in terms of risk-adjusted return in 1 year, whereas 4 funds (ICICIPESGF, QESGEF, QIESGEF and SBIMEESGF) out of 7 funds performed better than the benchmark in 3 years. ICICIPESGF and QESGEF remained the best performers in 1 year and 3 years, respectively. AXISESGEF provided the least risk-adjusted return in 3 years. SBIMEESGF outperformed the benchmark in 10 years but underperformed the benchmark index in 5 years and 7 years.

Table 4 depicts the stock selection skills of the fund managers associated with the respective ESG Funds. For this purpose, Alpha has been used.

Table 4
STOCK SELECTION SKILL OF THE FUND MANAGERS

ESG FUND	ALPHA					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	0.413686	-0.06147	XXXXX	XXXXX	XXXXX	5	6
AXISESGEF	0.797002	-0.12902	XXXXX	XXXXX	XXXXX	2	7
ICICIPESGF	1.167961	0.44025	XXXXX	XXXXX	XXXXX	1	2
KESGOF	0.141016	0.030534	XXXXX	XXXXX	XXXXX	7	5
QESGEF	0.233569	1.420382	XXXXX	XXXXX	XXXXX	6	1
QIESGEF	0.606011	0.283858	XXXXX	XXXXX	XXXXX	3	3
SBIMEESGF	0.446146	0.232642	0.01145	-0.03679	0.083374	4	4

Source: Computed by the Researchers

So far as the stock-picking skill of the fund managers is concerned, it is understood from Table 4 that fund managers exhibited superior stock-selection skills in 1 year (alpha values of all funds are positive) but in 3 years fund managers of ABSLESGF and AXISESGEF failed to pick superior quality stocks (alpha value < 0). ICICIPESGF and QESGEF remained the best-performing funds in 1 year and 3 years, respectively.

Table 5 presents the extent of diversification of the selected ESG Funds. The coefficient of variation (R^2) measures the diversification.

Table 5
EXTENT OF DIVERSIFICATION OF THE SELECTED ESG FUNDS

ESG FUND	RSQ					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	0.849985	0.847904	XXXXX	XXXXX	XXXXX	5	4
AXISESGEF	0.527544	0.738464	XXXXX	XXXXX	XXXXX	7	6
ICICIPESGF	0.884104	0.765913	XXXXX	XXXXX	XXXXX	4	5
KESGOF	0.936533	0.886505	XXXXX	XXXXX	XXXXX	2	3
QESGEF	0.796832	0.571351	XXXXX	XXXXX	XXXXX	6	7
QIESGEF	0.921475	0.906095	XXXXX	XXXXX	XXXXX	3	1
SBIMEESGF	0.93874	0.899429	0.943948	0.941176	0.937943	1	2

Source: Computed by the Researchers

Table 5 shows that ABSLESGF, KESGOF, QIESGEF and SBIMEESGF were adequately diversified (RSQ value is more than 0.8), implying that the unsystematic risk component was minimised to a great extent. SBIMEESGF and QIESGEF demonstrated the best performance in 1 year and 3 years, respectively. The performance of SBIMEESGF across periods in terms of achieving diversification was excellent.

Table 6

AGGRESSIVENESS OR DEFENSIVENESS OF THE SELECTED ESG FUNDS

ESG FUND	BETA					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	0.781351	0.975304	XXXXX	XXXXX	XXXXX	4	1
AXISESGEF	0.650874	0.879136	XXXXX	XXXXX	XXXXX	7	4
ICICIPESGF	0.714369	0.7098	XXXXX	XXXXX	XXXXX	6	7
KESGOF	0.883326	0.892485	XXXXX	XXXXX	XXXXX	2	3
QESGEF	1.037829	0.938202	XXXXX	XXXXX	XXXXX	1	2
QIESGEF	0.746146	0.800929	XXXXX	XXXXX	XXXXX	5	6
SBIMEESGF	0.823475	0.867034	0.970746	0.948066	0.950611	3	5

Source: Computed by the Researchers

It is revealed from Table 6 that QESGEF was the only aggressive fund in 1 year (Beta > 1) whereas all funds were defensive in 3 years. AXISESGEF and ICICIPESGF remained the most defensive funds in 1 year and 3 years, respectively.

Table 7 shows the return generated by the chosen ESG Funds and the benchmark from the 'Systematic Investment Plan' (SIP).

Table 7

SIP RETURN GENERATED BY THE CHOSEN ESG FUNDS AND THE BENCHMARK

ESG FUND	SIP RETURN (%)					RANK	
	1Y	3Y	5Y	7Y	10Y	1Y	3Y
ABSLESGF	30.8848	13.8910	XXXXX	XXXXX	XXXXX	8	8
AXISESGEF	31.3226	13.9188	XXXXX	XXXXX	XXXXX	7	7
ICICIPESGF	40.2542	19.8998	XXXXX	XXXXX	XXXXX	2	2
KESGOF	33.0014	16.0782	XXXXX	XXXXX	XXXXX	4	4
QESGEF	41.7337	28.0859	XXXXX	XXXXX	XXXXX	1	1
QIESGEF	31.4864	16.0665	XXXXX	XXXXX	XXXXX	6	5
SBIMEESGF	32.7750	16.9599	18.3077	16.2307	14.9431	5	3
BENCHMARK	35.6978	15.8099	18.3357	16.6439	15.4418	3	6

Source: Computed by the Researchers

A look at the SIP return from Table 7 shows that QESGEF provided the best SIP return in both 1 year and 3 years, followed by ICICIPESGF. QESGEF and ICICIPESGF outperformed the benchmark in both 1 year and 3 years. ABSLESGF and AXISESGEF underperformed the benchmark index in both 1 year and 3 years. ABSLESGF provided the least SIP return in 1 year and 3 years. SBIMEESGF underperformed the benchmark in 5 years, 7 years and 10 years.

Findings of the Study

The results of the study are summarised below:

- Across a range of financial products, including mutual funds, ESG investment presents attractive growth opportunities.
- The growth of ESG investing in India is backed by supportive regulatory measures, increased concern for the environment and growing consciousness of issues related to society.

- Barriers to broader acceptance of ESG investment in India include a conventional attitude that sees it as a financial burden, little investor understanding, and insufficient historical data.

- ICICIPESGF, QESGEF, QIESGEF, and SBIMEESGF exceeded the benchmark across both one and three years (Table 1).

- In terms of total risk, ICICIPESGF came out on top in both the one and three-year periods. ICICIPESGF, KESGOF, QIESGEF, and SBIMEESGF outperformed the benchmark index across both one and three years. QESGEF was the riskiest fund for one and three years, and it underperformed the benchmark throughout both periods (Table 2).

- In terms of risk-adjusted return, all funds outperformed the benchmark index in one year, while four of seven funds (ICICIPESGF, QESGEF, QIESGEF, and SBIMEESGF) surpassed the benchmark over three years. ICICIPESGF and QESGEF retained the top performances in one and three years, respectively. AXISESGEF produced the lowest risk-adjusted return in three years. SBIMEESGF exceeded the benchmark for ten years but underperformed the benchmark index for five and seven years (Table 3).

- Fund managers demonstrated superior stock-picking skills in one year (alpha values were positive), but fund managers of ABSLESGF and AXISESGEF failed to select the best stocks in three years (alpha value < 0). ICICIPESGF and QESGEF were the best-performing funds in one and three years, respectively (Table 4).

- ABSLESGF, KESGOF, QIESGEF, and SBIMEESGF were properly diversified (RSQ value greater than 0.8), indicating that the unsystematic risk element was significantly reduced. SBIMEESGF and QIESGEF achieved the best performance in one and three years, respectively, in terms of diversification (Table 5).

- QESGEF was the sole aggressive fund in one year, while all funds remained conservative across three years. AXISESGEF and ICICIPESGF were the most conservative funds for one and three years, respectively (Table 6).

- QESGEF generated the highest SIP return in both one and three years, followed by ICICIPESGF. QESGEF and ICICIPESGF exceeded the benchmark throughout both one and three years. ABSLESGF and AXISESGEF lagged the benchmark index during both one and three years. ABSLESGF delivered the lowest SIP return in one and three years. SBIMEESGF lagged the benchmark for five, seven, and ten years (Table 7).

7 CONCLUDING OBSERVATIONS

Following COVID, investors seem to have prioritised long-term sustainability in their investments. ESG investing, particularly in the new normal, can play a larger role and influence the way businesses are done in India and around the globe. This would ultimately benefit all the stakeholders. India can lead the way towards a more sustainable future that blends economic prosperity with social and environmental fulfilment by embracing ESG investing. ESG investing can play a crucial role in achieving the ambitious goal of 'Viksit Bharat @ 2047'. The study's findings suggest that long-term SIP investments in certain ESG Funds have the potential to make investors wealthy by delivering satisfactory returns.

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