MULTIDISCIPLINARY
RESEARCH INSTITUTE
INDIA

International Journal of Research and Development
A Management Review
ISSN: 2319 - 5479
Volume 15 Issue 02 (2026) | Pages: 371-373

Investor Attitudes Toward Green and ESG Mutual Funds in India

Sai Uttam Ubhe[1*], Ashwini Chavan[2]

[1,2]Department of MBA (Finance), IMCC Pune
Corresponding Author: saiubhe08@gmail.com

Peer Review Information

Type: *Article*
Received: *28 March 2026*
Revised: *26 April 2026*
Accepted: *11 May 2026*
Published: *02 June 2026*

Abstract

This research analyzes how investors in India perceive Green and ESG mutual funds, with a focus on their awareness and investment intent. The study is based on primary data collected from 100 respondents and uses descriptive statistics along with graphical tools to understand patterns in investor behavior. The results indicate that, although investors are somewhat aware of ESG concepts, this awareness does not always translate into actual investment decisions. A clear gap exists between understanding and action, mainly due to concerns about risk and lack of trust. The study highlights the need to reduce these barriers to encourage greater participation in ESG investments.

Keywords: Green Mutual Funds; ESG Investing; Investor Awareness; Investment Intent; Sustainable Finance; Responsible Investing; Investor Behaviour; ESG Perception; Risk Perception; Sustainable Investment.

How to Cite This Article

Ubhe, S. U., & Chavan, A. (2026). Investor attitudes toward green and ESG mutual funds in India. *International Journal of Research and Development: A Management Review*, 15(2), 371–373.

Introduction

Sustainable investing has gradually evolved from a specialized concept to become an integral part of modern financial practices. This shift is largely driven by growing concerns related to environmental protection, ethical governance, and social responsibility. ESG mutual funds offer investors the opportunity to combine financial returns with responsible investing.

In India, ESG investing is gaining attention, but its adoption is still at an early stage. Even though awareness is increasing, many investors hesitate due to uncertainty, limited understanding, and perceived risks. This study focuses on examining the behavioral factors that influence investment decisions, particularly the link between awareness and willingness to invest.

Objectives of the Study

1. To assess investors awareness of ESG and Green mutual funds.
2. To study how awareness affects their willingness to invest in such funds.

Research Hypotheses

H0 (Null Hypothesis): There is no meaningful relationship between investors' level of awareness and their willingness to invest in ESG mutual funds.
H1 (Alternative Hypothesis): There is a meaningful relationship between investors' level of awareness and their willingness to invest in ESG mutual funds.

Literature Review

Kaur and Singh (2022) observed that although awareness of ESG investing is rising among Indian investors, it often lacks depth and clarity. They stressed the importance of improving financial knowledge to support better investment decisions.

Similarly, Garg et al. (2022) discussed how ethical considerations influence socially responsible investments. However, their study focused more on investor intentions rather than actual investment behavior. This research builds on their work by examining how awareness translates into real willingness to invest.

Research Methodology

This study follows a descriptive research design using a quantitative approach. Data were collected from 100 respondents using a structured questionnaire with a Likert scale. The analysis relies on average values and graphical representation to present findings clearly & realistically without exaggerating relationships.

Results

The analysis shows that awareness alone is not enough to influence investment decisions. Although many respondents are familiar with ESG concepts, this does not always result in actual investment.

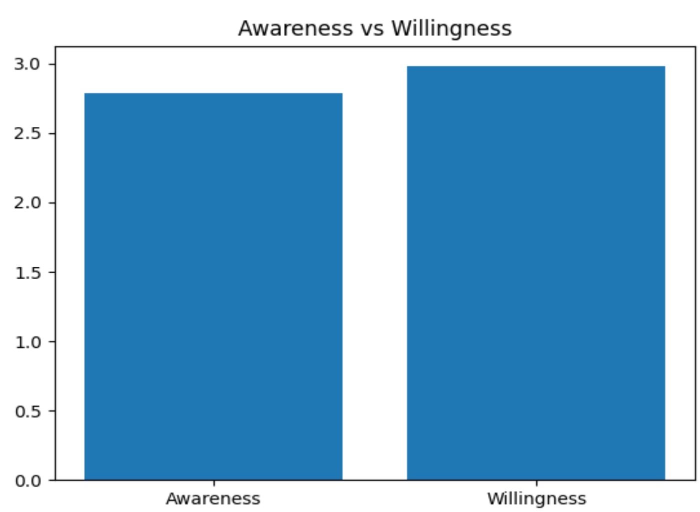

Fig. 1. *Awareness and Willingness to Invest in Green and ESG Mutual Funds*

Most respondents consider ESG investments to be relatively risky, which reduces their willingness to invest. This perception is mainly due to concerns about greenwashing, lack of transparency, and limited past performance data.

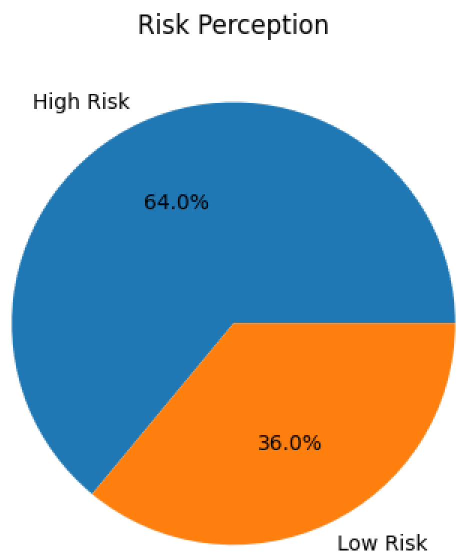

Fig. 2. *Risk Perception of Green and ESG Mutual Fund Investments*

Discussion

The findings suggest that while awareness is important, it does not directly lead to investment behavior. Factors such as trust and perceived risk play a major role in shaping investor decisions. The study supports existing research but also provides additional insight into the gap between knowing about ESG funds and actually investing in them.

Conclusion

The study indicates that ESG investing in India is still developing. Although awareness levels are improving, challenges such as risk perception and lack of trust continue to limit participation. Increasing transparency, enhancing investor education, and strengthening regulatory measures can help promote the growth of ESG investments.

Recommendations

- Increase Awareness: Conduct educational initiatives to improve investor understanding of ESG funds.
- Enhance Transparency: Provide clear and detailed disclosures to build investor confidence.
- Address Risk Concerns: Present reliable data on performance and risk-return comparison.
- Strengthen Regulations: Ensure strict rules to prevent misleading ESG claims.
- Use Digital Platforms: Promote ESG investments through apps and online channels to reach young investors.

References

1. Kaur, N., & Singh, M. (2022). ESG Investment Awareness.
2. Garg et al. (2022). Socially Responsible Investment Drivers.