



A Study of Investor Awareness and Perception towards Green Financing

Mr. Akash Aade, Research Scholar

Dr. Nitin W. Jaswante, Supervisor

Late Madangopal Mundhada Arts, Commerce & Science College, Chandur Rly., Dist. Amravati.

DOI : <https://doi.org/10.5281/zenodo.23116880>

ARTICLE DETAILS	ABSTRACT
Research Paper	Green finance is proving crucial in promoting sustainable development and environmentally responsible investment. This study examines investors' awareness and perceptions regarding green finance, with a specific focus on Amravati district. Primary data was collected from 200 investors using a structured questionnaire based on a five-point Likert scale. Frequency and percentage analyses were employed to assess awareness and perceptions, while Pearson correlation was used to test the hypothesis. The findings reveal a good level of awareness and positive perceptions regarding green finance. A significant positive correlation was observed between awareness and perception ($r = 0.140$, $p = 0.048$). The study highlights the need for further investor education.
Received: 18-07-2026	
Accepted: 17-08-2026	
Published: 25-09-2026	
Keywords:	
<i>Green Financing, Investor Awareness, Investor Perception, Green Bonds, Sustainable Investment, Environmental Sustainability, Amravati District</i>	

Introduction:

'Green financing' is an emerging sector within the financial industry that focuses on providing funds for projects and initiatives that promote environmental protection and sustainable development. It encompasses investment options such as 'green bonds,' 'green loans,' and sustainable investment funds, which support renewable energy, clean transportation, energy efficiency, waste management, and other eco-friendly activities. In recent times, awareness regarding environmental issues has grown among investors, businesses, financial institutions, and governments. Consequently, green financing has become a crucial tool for fostering sustainable economic development. Investor awareness and attitudes play a pivotal role in the growth of green financing. Before making investment decisions, investors consider various factors such as

Disclaimer: The opinions, interpretations, conclusions, recommendations, analyses, and statements expressed in this research article are solely those of the author(s) and do not reflect the views, policies, or positions of the Publisher, Chief Editor, Editors, Editorial Board, Reviewers, or their affiliated institutions. The author(s) are solely responsible for ensuring the originality, authenticity, and integrity of the manuscript and for ensuring that it is free from plagiarism, AI-generated content, copyright infringement, data falsification, and any other form of academic misconduct.



returns, risk, safety, environmental benefits, and the availability of information. Although green financing offers both economic and environmental benefits, factors like limited awareness, a lack of information, uncertainty regarding returns, and concerns about risk can influence investor decisions. Amravati district is witnessing economic development, and investors are gaining access to information about diverse financial products and investment opportunities. Therefore, understanding their awareness and attitudes towards green financing is essential. This study focuses on assessing the awareness of investors in Amravati district, understanding their perspectives, and identifying the factors that influence their preference for green financing. The study could assist financial institutions and policymakers in raising awareness and encouraging sustainable investment among investors.

Review of Related Literature

Prajapati et al. (2021) studied the preferences of individual retail investors in India regarding 'green bonds'. The study surveyed 125 investors, and SPSS software was used for data analysis. The findings revealed that ESG ratings and credit ratings were significant factors influencing investment decisions. Additionally, the study found that tax incentives and awareness encouraged investors to invest in green bonds. It highlights the importance of investor awareness, credibility, and financial incentives in promoting 'green financing' in India. Vora and Gudhka (2026) examined the perspectives and awareness of investors in Vadodara regarding green bonds. The study found that while 54.3% of respondents were aware of green bonds, their understanding of the instrument was moderate. Investors generally held a positive view of green bonds due to their environmental benefits; however, actual investment levels remained low. Key barriers included a lack of information, concerns regarding transparency, uncertainty about risks and returns, and limited availability. The study recommends increasing investor awareness and providing clear information. Rakshit I. R. (2025) studied investor perspectives on green bonds as an option for sustainable investment. 'Exploratory Factor Analysis' (EFA) was employed to identify the key factors influencing investor mindset. The findings indicated that investors view green bonds positively because they offer both financial and environmental benefits. Transparency and governance proved to be crucial factors in building investor confidence. However, low awareness and limited availability remained key obstacles. The study offers recommendations regarding investor education, robust regulation, policy support, and increased institutional participation. Bhatia and Jain (2014) studied consumer attitudes and preferences regarding 'green marketing' in India. Data was collected from 106 respondents using a structured questionnaire. The findings revealed a positive correlation between consumer awareness and 'green values' (environmentally friendly values) and the preference for green products. Although the study did not focus directly on green financing or investors, it highlights the importance of awareness and environmental values in influencing preferences. This finding



is useful for understanding investor behavior regarding green financial products. Pandey and Murari (2025) studied green bond investments among retail investors in India, focusing on knowledge, attitudes, and investment readiness. The study found that awareness regarding green bonds was moderate and uneven, particularly across different age and educational groups. Investors attached importance to both financial returns and environmental impact. Key obstacles included concerns about greenwashing, a lack of trust, limited availability, and a preference for traditional investments. However, the study observed positive interest among investors, indicating significant potential for green bond investments given appropriate policy support and investor education.

Objectives of the Study

1. To study the level of awareness of investors regarding green financing in Amravati District.
2. To examine the perception of investors towards green financing options.
3. To identify the major factors influencing investors' preference for green financing.

Hypothesis of the Study

H₀: There is no significant relationship between investors' awareness and their perception towards green financing.

H₁: There is a significant relationship between investors' awareness and their perception towards green financing.

Research Methodology

This study adopts a descriptive research design to examine the awareness and attitudes of investors in the Amravati district regarding 'Green Financing' (environment-friendly financing). Primary data was collected from 200 investors using a structured questionnaire. Secondary data was gathered from books, journals, research papers, reports, and reliable online sources. The collected data was analyzed using frequency, percentage, and correlation.

1. Data Collection: This study is based on both primary and secondary data. Primary data was collected directly from investors in the Amravati district through a structured questionnaire utilizing a five-point Likert scale. Secondary data was obtained from books, journals, research articles, reports, websites, and other relevant published sources.



2. Research Methodology: A descriptive research method has been employed for this study. This method facilitates the description of investors' awareness and attitudes regarding green financing, as well as the examination of the relationship between awareness and attitudes.

3. Sample Size: The sample comprises 200 investors from the Amravati district. Respondents were selected from diverse age groups, educational backgrounds, professions, and income categories to capture a wide range of opinions on green financing.

4. Sample Design: This study follows a probability-based sample design. Investors with experience or interest in financial investments were considered the 'target population.' The sample was selected to represent investors from diverse backgrounds within the Amravati district.

5. Sampling Method: 'Simple Random Sampling' was employed in this study to select 200 investors. Under this method, every eligible investor has an equal chance of being selected for the study. This approach helps minimize selection bias and ensures an unbiased representation of investors.

6. Data Analysis: The collected data underwent classification and tabulation and was analyzed using frequency and percentage analysis. 'Pearson's Correlation' was used at a 5% level of significance to test the hypothesis regarding the relationship between investors' awareness of green financing and their attitudes towards it.

Limitations of the Study

This study has certain limitations. It is confined to the Amravati district; therefore, its findings may not represent investors in other districts or regions. The study is based on a sample of 200 investors, which may not fully represent the entire investor population. It relies primarily on the respondents' opinions and self-reported information. Changes in financial markets, government policies, and awareness levels over time could influence the findings. The study focuses mainly on awareness and perceptions rather than actual investment behavior regarding green financial products.

Scope of the Study

This study provides insight into investor awareness and perceptions regarding green financing in the Amravati district. It encompasses investors from diverse backgrounds and examines their knowledge, opinions, and willingness to invest in green financial products. The study can prove useful for banks, financial institutions, policymakers, and investment advisors in developing awareness programs. Future

researchers can extend this study to other districts, increase the sample size, compare different regions, and examine actual investment behavior and challenges related to green finance.

Table No. 1 Respondent Demographic Profile		
1. Gender Distribution		
Gender	Frequency (f)	Percentage (%)
Male	116	58.0%
Female	84	42.0%
Total	200	100.0%
2. Age Group Distribution		
Age Group	Frequency (f)	Percentage (%)
26-35	80	40.0%
36-50	52	26.0%
18-25	49	24.5%
Above 50	19	9.5%
Total	200	100.0%
3. Investment Experience		
Experience	Frequency (f)	Percentage (%)
2-5 years	82	41.0%
< 2 years	45	22.5%
5-10 years	43	21.5%
> 10 years	30	15.0%
Total	200	100.0%

Gender-wise Distribution: The table no. 1 shows that out of a total of 200 respondents, 116 (58%) are men and 84 (42%) are women. This indicates that the number of men in the study is slightly higher than that of women. As per The table no. 1 the largest group of respondents falls within the 26-35 age bracket, comprising 80 (40%) respondents. This is followed by the 36-50 age group with 52 (26%) respondents and the 18-25 age group with 49 (24.5%) respondents. Only 19 (9.5%) respondents are over the age of 50. In summary, the majority of respondents belong to the 26-35 age group. Above table no.1 reveals that the highest number of respondents (82 or 41%) possess 2 to 5 years of investment experience. They are followed by 45 (22.5%) respondents with less than 2 years of experience and 43 (21.5%) with 5 to 10 years of experience. Only 30 (15%) respondents have more than 10 years of experience. Thus, the majority of respondents have a moderate level of investment experience.

Table no. 2 Section A: Awareness of Green Financing

Sr. No.	Statement	Strongly Agree f (%)	Agree f (%)	Neutral f (%)	Disagree f (%)	Strongly Disagree f (%)	Total
1	I am aware of the concept of green financing.	40 (20%)	70 (35%)	40 (20%)	30 (15%)	20 (10%)	200 (100%)
2	I know that green financing supports environmentally friendly projects.	45 (22.5%)	65 (32.5%)	42 (21%)	30 (15%)	18 (9%)	200 (100%)
3	I am aware of green bonds as an investment option.	30 (15%)	55 (27.5%)	45 (22.5%)	42 (21%)	28 (14%)	200 (100%)
4	I am aware of green investment opportunities offered by financial institutions.	35 (17.5%)	60 (30%)	45 (22.5%)	40 (20%)	20 (10%)	200 (100%)
5	I have received information about green financing from banks, financial institutions, or other sources.	38 (19%)	62 (31%)	40 (20%)	38 (19%)	22 (11%)	200 (100%)
6	I can identify investment products related to environmental sustainability.	32 (16%)	58 (29%)	46 (23%)	40 (20%)	24 (12%)	200 (100%)
7	I am aware of the environmental benefits of green financing.	48 (24%)	72 (36%)	38 (19%)	27 (13.5%)	15 (7.5%)	200 (100%)

The table no. 2 shows that most investors have a good level of awareness about green financing. For the first statement, 55% of respondents strongly agree or agree that they are aware of the concept of green financing. Similarly, 55% know that green financing supports environmentally friendly projects. Awareness about green bonds is comparatively lower, with 42.5% of respondents strongly agreeing or agreeing. About 47.5% are aware of green investment opportunities offered by financial institutions. Further, 50% of respondents have received information about green financing from banks, financial institutions, or other sources. The table also shows that 45% of respondents can identify investment products related to

environmental sustainability. The highest positive response is for awareness of the environmental benefits of green financing, where 60% of respondents strongly agree or agree. Overall, the table indicates that investors are generally aware of green financing and its environmental benefits. However, their awareness of specific investment options such as green bonds is comparatively less.

Table no. 3 Section B: Investor Perception towards Green Financing

Sr. No.	Statement	Strongly Agree f (%)	Agree f (%)	Neutral f (%)	Disagree f (%)	Strongly Disagree f (%)	Total
1	I consider green financing a good investment opportunity.	42 (21%)	68 (34%)	40 (20%)	32 (16%)	18 (9%)	200 (100%)
2	I believe green investments provide reasonable returns.	35 (17.5%)	65 (32.5%)	48 (24%)	34 (17%)	18 (9%)	200 (100%)
3	I believe green financing involves acceptable investment risk.	32 (16%)	60 (30%)	50 (25%)	38 (19%)	20 (10%)	200 (100%)
4	I believe green investments contribute to environmental protection.	55 (27.5%)	75 (37.5%)	35 (17.5%)	23 (11.5%)	12 (6%)	200 (100%)
5	I prefer investment options that provide both financial and environmental benefits.	48 (24%)	72 (36%)	38 (19%)	27 (13.5%)	15 (7.5%)	200 (100%)
6	I would consider investing in green financial products in the future.	45 (22.5%)	70 (35%)	40 (20%)	30 (15%)	15 (7.5%)	200 (100%)
7	I would recommend green financing as an investment option to others.	40 (20%)	65 (32.5%)	45 (22.5%)	32 (16%)	18 (9%)	200 (100%)

The table no. 3 shows that investors have a generally positive perception towards green financing. For the first statement, 55% of respondents strongly agree or agree that green financing is a good investment

opportunity. Similarly, 50% believe that green investments provide reasonable returns. About 46% of respondents strongly agree or agree that green financing involves acceptable investment risk. The highest positive response is for the statement that green investments contribute to environmental protection, where 65% of respondents strongly agree or agree. Further, 60% of respondents prefer investment options that provide both financial and environmental benefits. Also, 57.5% would consider investing in green financial products in the future, while 52.5% would recommend green financing to others. Overall, the table indicates that investors have a positive perception of green financing. Most investors appreciate its environmental benefits and are willing to consider green investment options in the future.

Hypothesis of the Study

H₀: There is no significant relationship between investors' awareness and their perception towards green financing.

H₁: There is a significant relationship between investors' awareness and their perception towards green financing.

Correlations		
		awareness
perception	Pearson Correlation	.140**
	Sig. (2-tailed)	.048
	N	200

The correlation analysis shows a positive but weak relationship between investors' awareness and their perception towards green financing, with a Pearson correlation coefficient of $r = 0.140$. The significance value is 0.048, which is less than the 0.05 significance level. Therefore, the relationship is statistically significant. Hence, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. This indicates that investors' awareness has a significant relationship with their perception towards green financing.

Findings:

1. High Environmental Awareness: 60% of investors agree/strongly agree that green financing offers clear environmental benefits.



2. Gap in Product Knowledge: While general awareness is good (55%), specific knowledge of Green Bonds is lower (42.5% agreement).
3. Positive Perception & Demand: 58.5% of respondents consider green financing a key contribution to environmental protection, and 60% prefer options offering dual financial & environmental returns.
4. Investment Intention: 57.5% express clear intent to invest in green financial products in the future.
5. There is a significant positive but weak relationship between investors' awareness and perception towards green financing ($r = 0.140$, $p = 0.048$); hence, H_0 is rejected and H_1 is accepted.

Conclusion

The study concludes that investors in Amravati District generally have a good level of awareness and a positive perception towards green financing. Investors particularly recognize the environmental benefits of green financial products and show interest in investing in them in the future. However, awareness of specific products such as green bonds is comparatively limited. The correlation analysis confirms a significant positive relationship between investor awareness and perception ($r = 0.140$, $p = 0.048$). Therefore, the null hypothesis is rejected. The study suggests that financial institutions should provide simple and clear information, investor education, and awareness programmes to encourage greater participation in green financing.

References:

- Bhatia, M., & Jain, A. (2014). Green marketing: A study of consumer perception and preferences in India. *Social Science Research Network*.
- Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approach (5th ed.). *SAGE Publication*.
- Kothari, C. R., & Garg, G. (2019). Research methodology: Methods and techniques*(4th ed.). *New Age International Publishers*.
- Pandey, S., & Murari, K. (2025). Green bond investment dynamics among retail investors in India: Knowledge, perception and willingness to invest. *International Journal of Latest Technology in Engineering, Management & Applied Science*, 14(1), 839-850.



- Paul, D., Prajapati, D., Malik, S., & Mishra, D. K. (2021). Understanding the preference of individual retail investors on green bond in India: An empirical study. *Investment Management and Financial Innovations*, 18(4), 177-189.
- Rakshith, I. R. (2025). Investor perception of green bonds as a sustainable investment option. *International Scientific Journal of Engineering and Management*, 4(2), 1-9.
- Vora, D. P., & Gudhka, K. S. (2026). Investor perception and awareness of green bonds in Vadodara. *International Journal of Scientific Research in Engineering and Management*, 10(1), 1-9.