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Assessing the Impact of Financial Literacy on Indian Retail Investors' Intentions to Pursue Sustainable and Socially Responsible Investments: The Mediating Role of Social Self-Efficacy

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Abstract
In the framework of widening socio-economic inequalities and environmental concerns, this study examines the complex interlinkages between financial literacy (FL), social self-efficacy (SSE), and socially responsible investment (SRI) intentions. Following the theory of planned behaviour, a well-structured questionnaire was distributed among 397 Indian nationals to gather responses. Data was analysed using AMOS Structural Equation Modelling. The study also explores a number of salient issues such as how FL shapes positive attitudes toward IASRI and the mediating effect of SSE between FL and IASRI intention. The results indicate that FL affects significantly the creation of positive attitudes toward IASRI, which in turn influences investment behaviour. In addition, the current study provides evidence of dual mediation (processes) suggesting that SSE and IAISRI attitude exert a serial influence. Both fund managers and policy makers have the opportunity for beneficial outcomes from these results. That highlight the importance of tailoring communication to the cognitive and psychological disposition of the investor. Lastly, our study advances our understanding of the determinants of sustainable investment decisions and add to the overall debate of responsible investing.

Keywords: Financial Literacy, Retail Investors, Socially Responsible Investments, Social Self Efficacy, Sustainable Investments.

Introduction

The relevance of sustainable investment grew within a context of rising social economic inequality and environmental challenges (Bocken et al., 2014; Friede, Busch, & Bassen, 2015). There is a growing awareness among investors of the need to reconcile social, ethical, and environmental factors in investment decisions (Dorfleitner et al., 2018). Social Responsible Investment (IASRI) is one of the key mechanisms to promote sustainability, achieve fairer economic Gain and tackle environmental Risks is social responsible investment, SRI (Renneboog, Horst, & Zhang, 2008). However, multiple psychological and cognitive effects, such as subjective norms (SNs), social self - efficacy (SSE), and financial literacy (FL), impact the adoption of IASRI (Białkowski & Starks, 2016).

Drawing on the theory of planned behaviour (TPB) (Ajzen, 1991), this study explores complex associations among these antecedents and investigates the impact of FL, SSE, and SNs on investors' intentions toward IASRI. The development of investment plans and policies that promote responsible financial behaviour can only be achieved if these dynamics are understood.

Investment decisions are robustly influenced by FL, in particular, IASRI (Lusardi & Mitchell, 2014). The OECD (2016) states that it encompasses people's ability to understand financial concepts, perform the required computations, comprehend the ramifications of decisions, be future-focused, maintain saving or investing procedures, and so on. Previous studies have shown that investors with higher levels of financial literacy are more self-assured and have an easier time choosing sustainable investment products (Klapper et al., 2015).

The emerging economies like India have a low level of financial literacy, which creates a hindrance for the wider adoption of IASRI (Agarwalla, Barua, Jacob, & Varma, 2015). The confidence one has in being able to influence others and to interact socially in a proficient manner is named social self-efficacy (SSE) (Bandura, 1997). SSE is an important factor when considering investment choices especially for ethical investments, in which both advocacy and social influence are important determinants (Rivis & Sheeran, 2003).As per Nguyen et al. (2019), investors who possess a high SSE are more likely to act proactively, utilize sustainable investment opportunities, and influence the other's financial decision-making.

Similarly, investment intentions are highly determined by subjective norms (SNs), defined as the perceived social pressure to engage in a specific behaviour (Ajzen, 1991). Social norms, as indicated by previous studies, have a profound impact on ethical investment decisions since individuals tend to model their behaviour according to peer pressure and societal norms (Jansson & Biel, 2011). Understand how SNs influence IASRI choices is particularly significant in the Indian context, where collectivist cultural values are significant (Hofstede, 2001).

The present study contributes to the growing body of literature in behavioural finance and sustainable investment by studying these interconnections. To fund managers, legislators, and teachers of finance seeking to promote ethical investing, the results hold enlightening knowledge. Moreover, the research identifies the importance of specialized communication strategies considering cognitive and psychosocial dimensions to induce a more sustainable and equitable investment environment (Dimson, Marsh, & Staunton, 2020).

Scholarly Perspectives on Key Constructs: Financial Literacy, Social Self-Efficacy, and Investment Intentions

The present study examines the effect of financial literacy in influencing Indian retail investors' willingness to make sustainable and socially responsible investment (IASRI) with social self-efficacy as a mediator. This study is based on various interconnected theoretical models that cumulatively provide a comprehensive account of investor behaviour, cognitive processing, and sustainability-based decision-making.

The Theory of Planned Behaviour (TPB) is a fundamental model in explaining investment intentions (Ajzen, 1991). TPB assumes that a person's aspiration to perform a behaviour is shaped by his/her attitude towards the behaviour, subjective norms, and perceived control over the behaviour. Financial literacy in socially responsible investment situations can affect an investor's favourable attitude towards sustainable options and perceived control over

behaviour when combined with social self-efficacy. Increased financial literacy can facilitate an investor's resolve to make intelligent investments through a better capacity to analyze and apply sophisticated investment p roducts.

At the same time, Bandura's Social Cognitive Theory (SCT) 1986 does give a psychological view to understand in what way self-efficacy mediates behavioural outcomes. SCT posits personal agency, observational learning, and most importantly, self-efficacy as vital determinants of behaviour. In particular, social self-efficacy- that is, an individual belief in being able to engage in socially motivated actions-would mediate financial knowledge and investment intentions. Financial literacy can be converted into ethical investment conduct when investors possess high social self-efficacy, which allows them to feel confident in making decisions consistent with their social and environmental values.

Lusardi and Mitchell's (2007, 2014) Financial Literacy Framework is another crucial theoretical foundation for this research. It defines financial literacy as a primary determinant of sound financial decisions.

The research clearly indicates that individuals who possess much information about money are likely to save, invest, and plan for retirement. In IASRI, such knowledge assists investors in comprehending and reflecting on environmental, social, and governance (ESG) concerns, which results in more prudent financial conduct. Financial literacy not only causes individuals to think differently when they consider investments, but it also transforms the way they feel and think about sustainability.

Value Belief Norm (VBN) Theory provides a fresh perspective to the research in terms of its sustainability. Based on VBN theory, individual values, perceptions of the environment, and personal norms are all factors that influence how they behave towards the environment in ways that are beneficial to it (Stern et al.', 1999). In investment, this theory proposes that individuals with strong altruistic or biospheric values that are rooted in financial knowledge and self-efficacy concerning social things tend to perceive sustainable investment as a moral duty. Therefore, VBN theory enriches TPB and SCT by incorporating a normative component and assisting in explaining the risk perception antecedents' role in leading to socially responsible investment intentions.

Finally, research on sustainable investment behaviour, such as that of Nofsinger and Varma (2014), shows that ethics and ESG factors are becoming more important in making investment decisions. Their evidence shows that socially responsible funds are popular not only because of how well they do financially, but also because they share the same values and are motivated by ethics, especially during times of market crisis. This shows how important both cognitive factors (like knowing how to manage money) and psychological traits (like believing in yourself) are in deciding to invest in sustainable assets. So, an integrated theoretical framework that includes financial knowledge, perceived ability, and value motivated incentives can explain the change in behaviour toward ESG investing.

These theories provide a solid foundation for examining the relationship between financial literacy and IASRI intentions among Indian retail investors, as well as the role that social self-efficacy plays as a mediator. Combining TPB, SCT, the financial literacy framework, VBN theory, and empirical findings

from sustainable investment literature provides a holistic perspective to comprehend the cognitive, emotional, and moral aspects of responsible investing.

Financial Literacy as a Catalyst for Socially Responsible Investing

The current studies have continually highlighted the significance of financial literacy in influencing prudent financial behaviour, such as sustainable investment choices. Significant differences in financial literacy are found in India and around the world, according to the analysis. With global financial literacy rates of 50.4% and 47.8%, respectively, Brazil and Mexico are in the lead, while India comes in at number 23. Indian states like Kerala (84%) and Goa (80%) have high general literacy rates, but their financial literacy rates are much lower 36% for Kerala and 50% for Goa. India's overall literacy rate is 77%, but only 35% of people are financially literate. Brazil has the highest rate of financial literacy among women (50.2%), followed by Australia (48.8%), Mexico (47.8%), and the United States (44.4%). With only 36.8% of women financially literate, India ranks 19th. The study highlights the strong correlation between financial literacy and prudent investing and saving practices. The gap between general and financial literacy in India is substantial. At only 35%, the nation's financial literacy rate is still much lower than its comparatively high general literacy rate of 77%. Financial awareness is low even in states with the highest general literacy rates; Kerala, for example, has only 36% financial literacy despite leading the nation with 84% general literacy. Financially literate individuals tend to critically analyse investment choices, comprehend the risks and rewards involved in ESG assets, and make their financial actions consistent with long-term societal gains. For example, Farooq and Sajid (2022) discovered that millennials' intention to invest in green financial products in emerging markets was positively affected by financial knowledge. Likewise, Aren and Aydemir (2015) identified that a clear understanding of finance concepts significantly boosted the chances of investors taking ethics and environmental aspects into consideration during decision-making. This suggests that when investors have sufficient finance knowledge, they feel more secure operating in sustainable investment environments and are therefore more willing to take IASRI approaches.

Hypothesis 1 (H1): *Financial literacy has a positive effect on the intention to adopt socially responsible investments.*

Social Self-Efficacy as a Mediator

Whereas knowledge is supplied through financial literacy, psychological constructs such as social self-efficacy facilitate the execution of knowledge into action. Social self-efficacy is understood as one's belief in carrying out socially important actions, like communicating and consistency with social values like sustainability. Caprara et al. (2003) posit that people with higher social self-efficacy believe they are able to empower their role in participating in social purposes and affecting other people. Among the investment behaviour context, Jamaludin and Gerrans (2015) revealed that psychological self-efficacy was a salient mediator linking knowledge to actual investment choices. In addition, Fang and Jiang (2021) posit that social efficacy serves as an indispensable mechanism for the translation of pro-social attitudes to actual behaviours in general, including economic settings. Social self-efficacy hence, can act as a psychological bridge, allowing individuals with financial knowledge to venture confidently into socially responsible investments.

Hypothesis 2 (H2): *Financial literacy has a positive effect on social self-efficacy.*

Hypothesis 3 (H3): *Social self-efficacy has a positive effect on the intention to adopt socially responsible investments.*

Hypothesis 4 (H4): *Social self-efficacy mediates the relationship between financial literacy and the intention to adopt socially responsible investments.*

A model in which cognitive capacity and psychosocial preparedness collaborate to impact sustainable investment behaviour has been confirmed by many studies. Nguyen et al. (2019), for instance, proved that financial literacy cannot secure sustainable investing unless social values and intrinsic motivation are added to it. In addition, to develop sustainable financial behaviour in the Indian setting, Kumar and Prakash (2021) highlighted the importance of both behavioural characteristics and financial ability. These results mean that encouraging sustainable investment attitudes demands a framework that integrates psychological effectiveness as well as financial consciousness, particularly in emerging economies where IASRI consciousness is still in its formative stages.

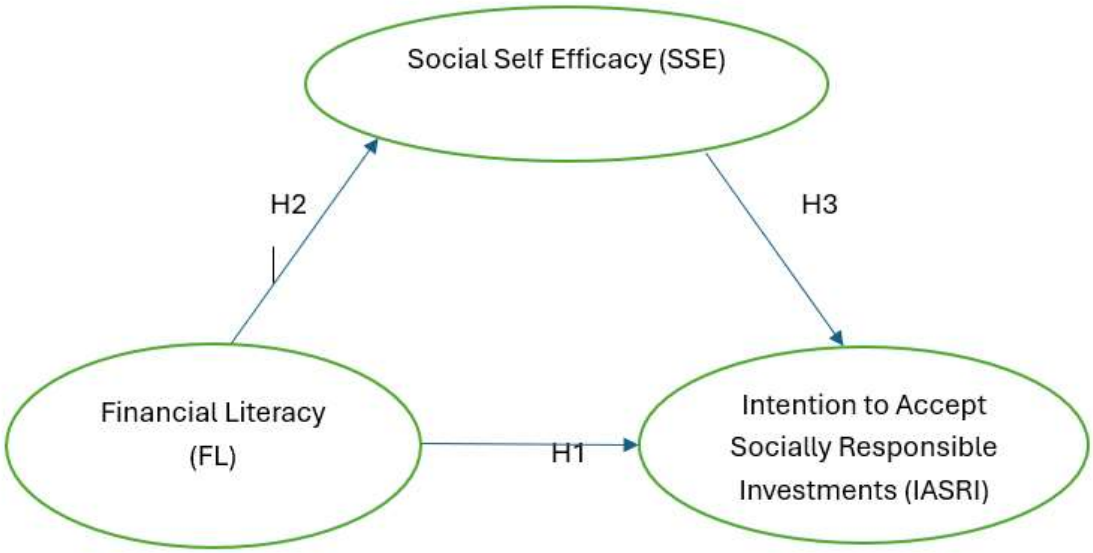

Fig No.: 1 Conceptual Model

Methodology

The intention of this research is to examine the interaction between Indian retail investors' socially responsible investment intention (IASRI) and financial literacy. Further, the research seeks to examine the mediation of this interaction by Social Self-Efficacy. The research targets Indian retail investors who are actively engaged or interested in sustainable and ethical investment strategies. Using investment forums, financial literacy workshops, LinkedIn investor forums, and sustainable finance forums, convenience and snowball sampling methods were employed to gather information from individual retail investors in key Indian cities through online survey questionnaire returns. To ensure that the items were valid and reliable, a pilot survey involving 30 participants was done before conducting the full-scale study. A 5-point Likert scale, varying from Strongly Disagree (1) to Strongly Agree (5), was exerted to assess all the research instruments.

Financial Literacy was assessed through an adapted 10-item scale from Lusardi and Mitchell (2007; 2014) and other recent financial literacy tests. The items evaluate the investor's knowledge of simple financial principles like risk diversification, inflation, interest compounding, and ESG investment awareness. Social Self-Efficacy was assessed via the 10 item Smith and Betz (2000) scale, which measures one's confidence in making socially focused decision-making and interpersonal communication appropriate to social investment situations. Items were minimally adapted to fit a financial/investing context. Intention to Adopt Socially Responsible Investments was measured via an 8-item adapted scale from Green investment intentions Chai et al. (2019), Yee et al. (2022). One of the items under the dependent variable, intention to switch from conventional investment to green investment, was removed from the analysis due to its low factor loading, which did not meet the acceptable threshold for construct validity. The scales measure the willingness and propensity of the respondents to invest in socially responsible, ethical, and eco-friendly financial products. The gathered data were investigated through Structural Equation Modelling (SEM) through AMOS/SPSS with both direct and indirect effects tested. Reliability of each measure was tested using Cronbach's alpha, while validity was examined through confirmatory factor analysis (CFA). The mediating function of social self-efficacy was tested via bootstrapping methods (Preacher & Hayes, 2008). Such a method allows for rigorous empirical examination of the cognitive and psychological forces underlying sustainable investment behaviour in Indian retail investors.

Structural Analysis of Relationships between Financial Literacy, Social Self-Efficacy, and Investment Intentions

Descriptive statistics and correlations between the three main variables, Financial Literacy (FL), Intention to Accept Socially Responsible Investments (IASRI), and Social Self-Efficacy (SSE) are displayed in the Table No 1. The participants' perceived level of financial literacy is moderate, as indicated by the mean score of 2.96 (SD = 0.59). The kurtosis value (1.73) suggests a slightly peaked distribution, and the distribution is negatively skewed (-0.67), indicating that more participants reported higher financial literacy than average. IASRI indicates a near-normal distribution with a slightly higher mean of 3.09 (SD = 0.56) and values for skewness (0.19) and kurtosis (0.04) near zero. With a moderate kurtosis (0.45), a slight positive skew (0.37), and a mean of 2.99 (SD = 0.59), SSE shows a somewhat symmetric distribution with a slightly sharper peak.

Correlation analysis reveals strong and statistically meaningful relationships among the variables. Financial literacy is strongly positively correlated with IASRI (r = 0.751), seems to indicate that individuals with higher financial literacy are more likely to show a greater intention to invest in socially responsible options. Furthermore, social self-efficacy and financial literacy have a moderately positive correlation (r = 0.553), suggesting that financially literate people are more confident in their social skills. Additionally, there is a moderate to strong correlation (r = 0.668) between SSE and IASRI, indicating that socially conscious investing is more likely to be practiced by those with higher levels of social self-efficacy.

These results provide empirical support for the proposed mediation model, which postulates that SSE may function as a intervening variable in the association between financial literacy and the intention to accept socially responsible investments. This suggests that the relationship between financial literacy and investment intentions may be partially explained by an individual's level of social self-efficacy.

Table 1 Normality Measurement

Variables	Mean (S.D)	Skewness (Std. error)	Kurtosis (Std. error)	1	2	3
FL	2.96(0.59)	-0.67(0.11)	1.73(.23)	1		
IASRI	3.09(0.56)	0.19(0.11)	0.04(0.23)	.751	1	
SSE	2.99(0.59)	0.37(0.11)	0.45(0.23)	.553	.668	1

(Source: Author's Compilation)

Reliability Assessment of Variables Influencing Socially Responsible Investment Behaviour

Table No.: 2 Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Independent Variable (FL)	.926	10
Dependent variable (IASRI)	.909	8
Mediating variable (SSE)	.828	10

(Source: Author's Compilation)

The authenticity of the measurement scales in the study was evaluated using Cronbach's Alpha. The independent variable Financial Literacy (FL) showed excellent internal consistency with a Cronbach's Alpha of 0.926 across 10 items, indicating that the items measure the construct accurately. Similarly, the dependent variable, Intention to Accept Socially Responsible Investment (IASRI), demonstrated exceptional reliability with a Cronbach's Alpha of 0.909 for its eight items. The mediating variable, Social Self-Efficacy (SSE), also showed strong internal consistency, with a Cronbach's Alpha of 0.828 for all 10 items. The fact that all three variables were higher than the widely accepted cut off point of 0.70 suggests that the scales used in the study are reliable and suitable for further analysis.

Validation of Measurement Model for Constructs Influencing Sustainable Investment Intentions

Before model testing, researchers have performed confirmatory factor analysis (CFA) in AMOS and established normal distribution of data and also estimated that data is multi-collinearity free (Kline, 2015). For empirically testing the proposed model, AMOS SEM has been used. The fit indices of proposed model based on (Kline, 2015) are

Table No.: 2 Model Fit Indices

Model	CMIN/DF	P-Value	GFI	AGFI	CFI	NFI	RFI	IFI	TLI	RMSEA
Study Model	3.188	.000	.844	.816	.932	.904	.895	.932	.925	.071
Recommended value	Acceptable fit [1-5]	<0.05	>0.9	> 0.9	> 0.9	> 0.9	>0.9	> 0.9	< 0.9	> 0.08

(Source: Author's Compilation)

Structural Assessment of Latent Variables Influencing Sustainable Investment Decisions

The CMIN/DF of the study model is 3.188 and this is well within 1-5, which suggests a good model fit. But the P-value is 0.000, which is less than 0.05, meaning the model fit is statistically significant although

a value greater than 0.05 is generally desirable for model fit.

Examining the fit indices: the Goodness-of-Fit Index (GFI) is 0.844 and the Adjusted Goodness-of-Fit Index (AGFI) is 0.816, both of which are just below the suggested cut-off of 0.90, suggesting a marginally poor fit. By comparison, however, the Comparative Fit Index (CFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), and Tucker-Lewis Index (TLI) all rank higher than 0.90 (between 0.904 and 0.932), suggesting a good model fit in these aspects.

The Root Mean Square Error of Approximation (RMSEA) is 0.071, which is less than 0.08, showing an acceptable level of error and a fairly close fit of the model to the data. In general, the study model shows an adequate to good fit. Although GFI and AGFI are slightly less than ideal levels, most other indices (CFI, NFI, RFI, IFI, TLI, and RMSEA) are at recommended levels, confirming the adequacy of the model in representing the observed data.

Assessing the Distinctiveness and Cohesion of Constructs Driving Sustainable Investment Intentions

Table No.2: Convergent and Discriminant Validity

	CR	AVE	MSV	MaxR(H)	SSE	FL	IASRI
SSE	0.950	0.657	0.503	0.952	**0.810**		
FL	0.948	0.648	0.629	0.952	0.591	**0.805**	
IASRI	0.940	0.693	0.629	0.941	0.709	0.793	**0.832**

(Source: Author's Compilation)

The findings from the table show that the measurement model shows high reliability and validity for all three constructs SSE, FL, and IASRI. Composite Reliability (CR) values are very high for all constructs, which is above 0.94, indicating excellent internal consistency. The Average Variance Extracted (AVE) for all constructs is far above the minimum of 0.50, indicating good convergent validity, i.e., each construct captures a large amount of variance in its indicators.

With regard to discriminant validity, the AVE of each construct is higher than its Maximum Shared Variance (MSV), satisfying the Fornell-Larcker criterion. While the AVE of FL (0.648) is almost identical to its MSV (0.629), it still satisfies the criterion, reflecting acceptable discriminant validity. The inter-construct correlations are moderately high, particularly between FL and IASRI (0.832), which reflects a strong relationship, but not sufficiently to undermine discriminant validity. Overall, the model constructs are both valid and reliable and can be used in further structural analysis.

Empirical Validation of Hypothesized Relationships among Financial Literacy, Social Self-Efficacy and Intention to Accept Socially Responsible Investments

Table 3: Hypotheses Testing

Hypothesis	β	P value
FL→IASRI	0.574	0.000
FL→SSE	0.591	0.000
SSE→IASRI	0.370	0.000

FL→SSE→IASRI	0.219	0.000

(Source: Author's Compilation)S

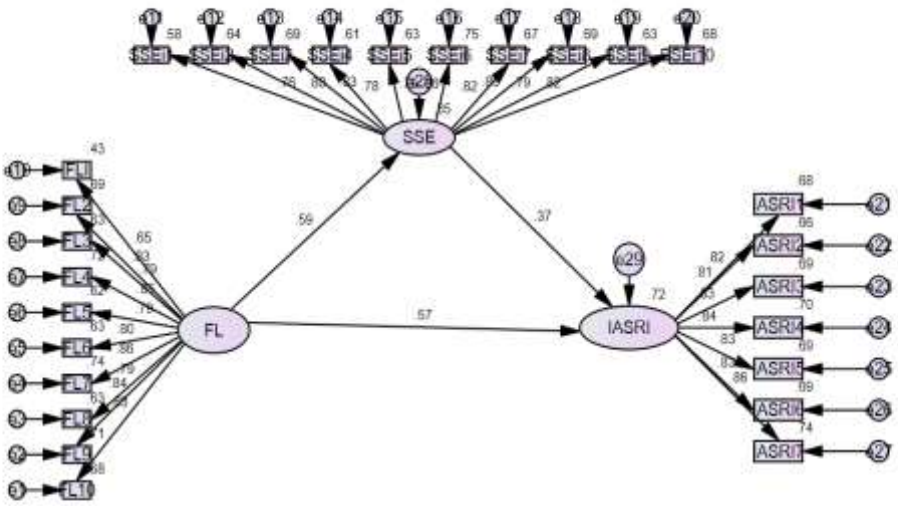

Fig No.: 2 Path Analysis

The findings from hypothesis testing present strong associations between the constructs FL (Financial Literacy), SSE (Social Self-Efficacy), and IASRI (Intention to Adopt Socially Responsible Investments). The relationship of FL directly with IASRI has a standardized regression coefficient (β) value of 0.574 and a p-value of 0.000, reflecting the high and statistically significant impact of financial literacy on the intention to adopt socially responsible investments. Also, the direction from FL to SSE is important with a β of 0.591 and p-value of 0.000, indicating that greater financial literacy has a major positive impact on social self-efficacy.

Moreover, SSE directly affects IASRI with a β of 0.370 and p-value of 0.000, which shows that people having greater social self-efficacy are more prone to make socially responsible investments. Notably, the mediation effect of SSE on the relationship between FL and IASRI is also significant statistically, with an indirect effect (FL→SSE→IASRI) of 0.219 and a p-value of 0.000. This indicates that social self-efficacy mediates partially the effect of financial literacy on socially responsible investment intentions.

In total, the results underscore that financial literacy not only directly impacts investment intentions but also indirectly affects them through the increase in social self-efficacy, thus further supporting the significance of both financial knowledge and personal efficacy in promoting socially responsible investment behaviour.

Practical and Policy Implications for Promoting Sustainable Investment through Financial Literacy

This research provides several significant theoretical contributions to the theoretical explanation of financial decision-making in the realm of sustainable investing. The major objective of this research was to examine the effect of Financial Literacy (FL) on the Intention to Adopt Socially Responsible

Investments (IASRI), mediated by Social Self-Efficacy (SSE). Structural equation modelling (SEM) was employed to estimate the hypothesized model, and the results provide both statistical and theoretical evidence for the supposed relationships.

The fit indices show that the model of interest has a generally good fit to the data. Although the GFI (0.844) and AGFI (0.816) were less than the desirable value of 0.90, other critical indices like CFI (0.932), IFI (0.932), TLI (0.925), and RMSEA (0.071) are all in acceptable or good-fit values, and hence endorse the fitness of the model.

The measurement model was highly reliable and valid. Composite Reliability (CR) values across all constructs were greater than 0.94, reflecting excellent internal consistency. Average Variance Extracted (AVE) values were greater than 0.60 for all constructs, affirming good convergent validity. Discriminant validity was also satisfactory, as AVE values were higher than the Maximum Shared Variance (MSV) for all constructs.

Hypothesis testing validated all hypothesized relationships. Financial Literacy (FL) exerted a strong direct influence on Social Self-Efficacy ($\beta = 0.591$, $p < 0.001$) and IASRI ($\beta = 0.574$, $p < 0.001$). Social Self-Efficacy also directly influenced IASRI ($\beta = 0.370$, $p < 0.001$). Additionally, the indirect relationship from FL to IASRI through SSE was also positive ($\beta = 0.219$, $p < 0.001$), affirming that SSE intervenes the association between FL and IASRI in part. The results highlight the interrelated nature of financial literacy and self-efficacy as determinants of socially responsible investment intentions.

This research adds to the literature on responsible investment by combining behavioural and psychological frameworks with financial decision-making. It confirms the significance of financial literacy as not only a cognitive ability but also an antecedent to elevated self-efficacy, leading in turn to moral investment intentions. Partial mediation by SSE deepens current investment behaviour theories by exhibiting the influence of individual confidence in social skills.

Practically, the findings underscore the necessity for financial education schemes that enhance not just technical financial competencies but also individual self-confidence when operating in social and ethical investment realms. Financial advisors, educators, and policymakers ought to develop interventions that cultivate financial and personal efficacy skills. Organizations with socially responsible investment promotion can also gain from targeting high financial literacy audiences and assisting them in transforming such knowledge into assertive value-oriented investment behaviour.

The results highlight how important financial literacy is in enabling people to make wise and responsible investment choices, especially for retail investors. In addition to raising awareness of sustainable and socially responsible investment (SRI) options, a greater level of financial literacy also boosts investors' self-efficacy, or confidence, in assessing and taking advantage of these opportunities. To better align their financial objectives with moral and environmental principles, individual investors are therefore urged to actively pursue financial education in order to improve their capacity to evaluate the long-term value, risks, and social impact of SRI products.

The findings highlight the pressing need for governments and policymakers to develop and execute comprehensive financial literacy initiatives that incorporate sustainability education. Modules on sustainable investing should be included in national financial inclusion policies, aimed at different demographic groups.

This study will also provide important insights for investment firms, fund managers, and financial advisors. There is a compelling argument for creating and marketing financial products that integrate financial returns with social and environmental impact, given the growing interest of investors in ethical

investing. In order to help their clients overcome informational and psychological barriers, financial advisors must actively educate them about ESG metrics and responsible investment choices. Reliable ESG disclosures and open communication can boost investor confidence in sustainable financial products and increase investor self-efficacy. Long-term portfolio sustainability and higher client engagement may result from this.

Summative Reflections on the Role of Financial Literacy and Social Self-Efficacy

The study has ramifications for a larger stakeholder group as well. To create socially conscious investors early on, educational institutions should integrate financial and sustainability literacy into their curricula at the high school and college levels, especially in business studies, economics, and commerce. To stop greenwashing and give investors reliable, consistent information, regulatory agencies like SEBI can create uniform ESG rating frameworks and disclosure standards. Initiatives for financial education at the grassroots level, especially those aimed at underserved or less financially literate communities, can be supported by NGOs and civil society groups. FinTech companies and investment platforms can also help by incorporating personalized SRI recommendations, ESG ratings, and educational tools into their user interfaces. This will help to raise digital-native investors' financial awareness and promote responsible investing practices.

In addition, financial literacy's powerful predictive ability toward IASRI indicates that better public financial literacy would have the potential to heavily increase the acceptance of sustainable and ethical investment patterns an important precursor to the overall achievement of environment, social, and governance (ESG) objectives.

Scope for Future Research

Future research can broaden this framework by adding more mediators and moderators like risk tolerance, social norms, environmental values, and demographic factors like age, income, or region, even though this study provides invaluable contributions to the association between financial literacy, self-efficacy, and sustainable investment intentions among Indian retail investors. Experimental and longitudinal designs may be useful in determining causal relationships and evaluating the long-term effects of financial education or ESG-awareness initiatives. Deeper psychological and cultural obstacles to socially conscious investing may be revealed by qualitative or mixed-methods approaches. Furthermore, investigating the function of FinTech platforms and digital financial literacy may offer a modern viewpoint on how technology affects investor behaviour. Comparative research between nations or regions may highlight cultural or legal differences in sustainable investing practices.

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