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Greenwashing Perception and Its Impact on Sustainable Investment Decision-Making among Retail Investors in Maharashtra: A Post-BRSR Analysis

Safdar Dingankar[1], Pooja Vishwakarma[2], Priyanshu Tiwari[3], Anirudha Dayama[4], Dr. Lakshmi S[5]

[1,2,3,4]MBA Students, Bharati Vidyapeeth's Institute of Management Studies and Research (BVIMSR), Affiliated to University of Mumbai, Navi Mumbai, Maharashtra
[5]Research Guide, Assistant Professor, Bharati Vidyapeeth's Institute of Management Studies and Research (BVIMSR), Affiliated to University of Mumbai, Navi Mumbai, Maharashtra

ABSTRACT
India's retail participation in ESG (Environmental, Social, and Governance) mutual funds remains far below its market potential. Despite a near-fourfold growth in ESG mutual fund assets under management from Rs. 2,703 crore in 2019 to Rs. 10,946 crore by 2024, and the introduction of SEBI's mandatory Business Responsibility and Sustainability Reporting (BRSR) framework from FY 2022-23, ordinary investors continue to hold back. This paper investigates whether greenwashing perception, the fear that sustainability claims made by companies or funds are exaggerated or false, acts as a psychological barrier to retail ESG investment among retail investors in Maharashtra, and whether awareness of the BRSR framework moderates that fear. The study focuses on Maharashtra's retail investor population, particularly semi-urban districts such as Satara, Kolhapur, Nashik, and Sangli, where ESG literacy and BRSR awareness are effectively absent despite growing market participation. The research adopts a descriptive-analytical design grounded entirely in secondary data, synthesising peer-reviewed academic literature, SEBI regulatory documents, AMFI market data, and credible industry reports. No primary data was collected. The analysis proceeds through regulatory mapping, structured literature synthesis, and contextual interpretation applied to Maharashtra's investor profile. Greenwashing perception reduces ESG investment intention through both rational and emotional pathways. BRSR, while a genuine regulatory achievement, has not reached semi-urban retail investors as a visible or credible trust signal. Semi-urban Maharashtra investors represent the highest vulnerability to greenwashing-driven deterrence and simultaneously the highest potential for ESG fund adoption. The incomplete rollout of BRSR Core assurance sustains the information asymmetry that greenwashing perception exploits. The paper calls for accelerated BRSR Core assurance, simplified investor-facing ESG communication in Marathi, and targeted BRSR literacy programmes in Maharashtra's semi-urban districts as urgent policy priorities.

KEYWORDS: Greenwashing, BRSR, ESG Mutual Funds, Retail Investors, Maharashtra, Investor Trust, Sustainable Investment, SEBI, Financial Literacy, Post-BRSR

1. INTRODUCTION

Something has changed in how Indian households approach investing. What once seemed like a concern reserved for institutional fund managers and city-based professionals has now entered the conversation in semi-urban homes across Maharashtra. ESG mutual funds are marketed on digital platforms, discussed through social media, and promoted by distributors in districts that barely featured in India's investing story a decade ago. Behind this shift stands a concrete regulatory milestone: SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework, which since FY 2022-23 has made structured sustainability disclosures mandatory for India's top 1,000 listed companies. By any measure, this is meaningful progress.

Yet a troubling undercurrent runs in the opposite direction. In 2024, ESG funds globally witnessed record outflows of USD 19.6 billion. Only ten new ESG funds were launched that year, against 116 in 2022. Indian retail investors reflect this global unease: 43.6% of those surveyed in a 2025 study cited greenwashing skepticism as their primary reason for avoiding green investment products (Pacific Business Review International, 2025). Greenwashing, the practice of projecting false or inflated environmental credentials, has emerged as a trust problem that regulatory frameworks alone cannot solve.

The central tension this paper examines is precisely this gap: BRSR is a genuine and improving regulatory framework, yet the retail investors it is designed to protect largely remain unaware of its existence. A regulation that does not reach the people it is meant to serve cannot build the trust it is designed to create. This is not a failure of intent. It is a problem of distance, between what SEBI has mandated at the policy level and what actually reaches a first-generation investor in Nashik or a small savings holder in Satara.

This paper is a secondary data-based analytical study. It draws from peer-reviewed academic literature, SEBI circulars, AMFI market data, and credible industry reports to examine how greenwashing perception shapes sustainable investment decision-making among retail investors in Maharashtra, and whether the BRSR framework has meaningfully addressed that perception at the investor level.

Research Objectives

- To trace the evolution of the BRSR framework and assess its capacity to reduce greenwashing-driven investor scepticism.
- To synthesise global and Indian evidence on how greenwashing perception affects retail investor trust and investment intention.
- To contextualise these findings within Maharashtra's retail investor landscape using available demographic and market data.
- To derive actionable policy recommendations for regulators, asset managers, and financial educators.

Scope and Significance

Maharashtra provides the most appropriate and urgent regional lens for this study. It houses India's largest financial ecosystem, anchored by BSE and NSE in Mumbai, and one of the country's fastest-growing retail investor populations. Yet the state's diversity matters here. Metropolitan investors in Mumbai and Pune are meaningfully different from those in Satara, Kolhapur, Nashik, Sangli, and Aurangabad, where BRSR awareness is essentially absent but market participation is accelerating. This semi-urban population represents both the highest vulnerability to greenwashing-driven deterrence and the most significant untapped opportunity for ESG fund adoption in India. No published academic study has examined this intersection.

2. THE BRSR FRAMEWORK: EVOLUTION AND INTENT

India's path to mandatory ESG disclosure began with the Business Responsibility Report (BRR), introduced by SEBI in 2012 for the top 100 listed companies and later extended to the top 1,000. The BRR was largely qualitative and template-driven; firms reported what served their communication interests rather than what investors needed. In May 2021, SEBI replaced it with the more demanding BRSR, which requires disclosure across nine principles derived from India's National Guidelines on Responsible Business Conduct (NGRBC), including quantitative indicators covering energy intensity, water consumption, Scope 1 and 2 greenhouse gas emissions, and workforce diversity metrics. BRSR was voluntary for FY 2021-22 and mandatory from FY 2022-23 for India's top 1,000 listed entities.

In July 2023, SEBI introduced BRSR Core, a standardised set of 49 key performance indicators subject to third-party assurance. This requirement is being phased in from the top 150 companies in FY 2023-24 to all 1,000 mandated entities by FY 2026-27 (SEBI, 2023). The mandate covers major Maharashtra-headquartered firms including Reliance Industries, HDFC Bank, ICICI Bank, Larsen and Toubro, and Bank of Maharashtra. Reliance Industries' FY 2024-25 BRSR discloses Scope 1 emissions of 36,459,294 tCO_2e alongside granular water and energy data, a level of specificity that simply did not exist five years ago. Globally, BRSR occupies an intermediate position: more comprehensive than voluntary frameworks but less granular than the EU's Corporate Sustainability Reporting Directive (CSRD), a gap BRSR Core is progressively designed to narrow (Breathe ESG, 2025).

The theoretical case for BRSR's role in reducing greenwashing risk is sound: standardised, verified disclosure reduces the information asymmetry that allows misleading claims to flourish. The practical question this paper investigates is whether this theoretical benefit has translated into greater retail investor confidence, particularly in Maharashtra's non-metropolitan districts.

3. GREENWASHING: DEFINITION AND TYPOLOGIES

Environmentalist Jay Westerveld coined the term 'greenwashing' in 1986, inspired by a hotel's dishonest environmental marketing. In financial services, the U.S. SEC defines it as exaggerating the extent to which investment products account for environmental and sustainability factors (Investor.gov, 2024). A 2024 concept analysis in MDPI Sustainability distilled the phenomenon into six operational criteria: an unsubstantiated environmental claim, made by a firm with intent to gain competitive advantage, capable of misleading a reasonable stakeholder, and resulting in measurable harm (MDPI, 2024). Not every instance meets all six criteria; many cases occupy a grey zone between genuine ambiguity and deliberate deception, and that ambiguity alone erodes investor trust.

In the ESG fund context, greenwashing takes forms not always captured by traditional consumer product taxonomies. Table 1 adapts TerraChoice's (2007) taxonomy to the investment fund context, supplemented by patterns identified in ESMA's Final Report on Greenwashing (2024).

Type	General Definition	ESG Fund Manifestation
Hidden Trade-Off	Highlighting one green attribute while concealing offsetting harms.	A fund labels itself 'sustainable' while holding companies with poor supply chain practices not visible in headline ESG scores.

No Proof	Making sustainability claims without verifiable evidence.	Fund marketing asserts ESG integration without disclosing the methodology or rating provider used.
Vagueness	Using broad, undefined terms that resist measurement.	Fund names include words like 'responsible' or 'ethical' with no corresponding strategy disclosure.
ESG Rating Divergence	Exploiting inconsistency between different rating methodologies.	Selecting the agency giving the most favourable scores without disclosing this selection to investors.
Greenhushing	Downplaying sustainability commitments to avoid regulatory scrutiny.	Funds quietly drop ESG strategies while retaining ESG branding to avoid regulatory attention.

Table 1: Greenwashing Typologies in ESG Fund Context (Adapted from TerraChoice, 2007; ESMA, 2024)

ESMA's (2024) Final Report found that ESG-named funds in Europe grew from 3% of UCITS in 2013 to 14% by 2023, with fund name changes boosting inflows even without proportionate improvements in ESG portfolio quality. This confirms that structural greenwashing incentives exist independently of malicious intent, making disclosure frameworks paired with investor education a necessity rather than a choice.
India's regulatory response remains incomplete. SEBI has named greenwashing mitigation as a specific objective for its ESG advisory committee, but there is no standalone greenwashing legislation. Enforcement depends on BRSR norms, SEBI's ESG fund regulations, and non-binding guidelines from the Advertising Standards Council of India, a framework that is improving but structurally limited (SEBI, 2023).

4. REVIEW OF LITERATURE

The table below presents a structured synthesis of ten peer-reviewed and institutionally published research papers directly relevant to this study's keywords: greenwashing, ESG investing, BRSR, retail investor behaviour, sustainable investment, and financial literacy in emerging markets.

Author(s) / Source	**Year**	**Objectives**	**Research Methodology**	**Key Variables**	**Findings**
Gacem, Ziane & Ould Daoud Ellili (Finance Research Letters)	2025	To examine whether greenwashing perception reduces individual retail investors' likelihood of	Quantitative survey; 2,215 French retail investors; regression and mediation analysis.	Greenwashing perception, ESG investment intention, risk aversion, negative affect.	Each 1-unit rise in greenwashing perception reduces green investment likelihood by approximately 1.7 percentage points. Effect is mediated through emotional

		investing in green funds.			channels (fear, distrust) rather than rational calculation alone.
Kraüssl et al. (Journal of Economic Surveys, Wiley)	2024	To review literature on investor expectations, beliefs, and perceptions in ESG investing contexts.	Systematic literature review of empirical and theoretical ESG investor studies.	ESG investor beliefs, willingness to pay, social preferences, sustainable investment.	Investors are willing to sacrifice financial returns to engage in sustainable investing. Social preferences, not just financial beliefs, drive ESG investment decisions, particularly among retail participants.
ESMA Final Report on Greenwashing	2024	To identify the nature, causes, and regulatory implications of greenwashing in EU financial markets.	Market-wide regulatory analysis; fund name tracking across UCITS; supervisory review.	ESG fund naming, greenwashing incentives, regulatory gaps, investor trust.	ESG-named funds grew from 3% to 14% of UCITS between 2013 and 2023. Name changes boosted inflows without corresponding ESG quality improvements. Four structural greenwashing drivers identified: regulatory gaps, data deficiencies, rating inconsistency, and market incentives.
CFA Institute, NSE & CFA Society India (BRSR Data Assessment)	2024	To analyse the quality and completeness of BRSR disclosures from 300 top Indian companies and identify improvement areas.	Quantitative content analysis of BRSR filings from top 300 listed Indian firms for FY 2022-23.	BRSR disclosure quality, ESG transparency, investor confidence, corporate accountability.	BRSR disclosures have improved ESG transparency among large-cap firms. However, significant inconsistencies persist, particularly in environmental metrics, limiting

					investor confidence in data reliability.
Dhar et al. (ResearchGate / ESG Disclosure and Greenwashing)	2022	To explore how ESG information disclosure affects investment optimisation and how greenwashing behaviour distorts this process.	Qualitative and quantitative literature-based analysis; review of corporate ESG report disclosures.	ESG disclosure, greenwashing behaviour, investment optimisation, sustainable finance.	ESG disclosure significantly enhances investment decision-making when credible. Greenwashing in ESG reports distorts investor decisions and reduces market confidence in sustainable products.
Kar & Patro (International Journal of Business and Society)	2024	To examine the role of financial literacy and social self-efficacy in shaping Indian retail investors' intention to adopt socially responsible investments.	PLS-SEM; survey of Indian retail investors; Theory of Planned Behaviour framework.	Financial literacy, social self-efficacy, SRI intention, sustainable investment adoption.	Financial literacy positively influences SRI adoption through the mediating role of social self-efficacy. Investors with higher literacy show stronger intent to adopt ESG-oriented investment products.
IJMPR — Behavioural Drivers of SRI Adoption Among Indian Retail Investors	2024	To identify the behavioural drivers that predict socially responsible investment adoption among Indian retail investors.	PLS-SEM; survey-based; Theory of Planned Behaviour applied to Indian investor sample.	ESG attitudes, subjective norms, self-efficacy, investment intention, planned behaviour.	Perceived ESG fund performance, social norms, and self-efficacy collectively drive investment attitudes, which in turn determine intention. Any factor undermining attitudes — including greenwashing perception — produces downstream reductions in intention.

Pacific Business Review International	2025	To assess Indian retail investors' knowledge, perception, and willingness to invest in green bonds, with specific attention to greenwashing barriers.	Quantitative survey; 312 Indian retail investors; descriptive and inferential statistical analysis.	Green bond awareness, greenwashing perception, investment willingness, disclosure clarity.	43.6% of respondents cited greenwashing skepticism as primary barrier to green investment. 41% would increase green allocations if disclosure clarity improved. Fear and latent willingness co-exist — the barrier is trust, not indifference.
MDPI — Financial Literacy and Investment Decisions in India	2025	To measure the influence of financial literacy on retail investment decisions among Indian investors and assess the role of behavioural biases.	Quantitative; survey of 482 Indian retail investors; regression and descriptive analysis.	Financial literacy, behavioural biases, investment decisions, ESG awareness, securities market.	Behavioural biases (herding, overconfidence, loss aversion) persist even among financially literate investors. Information provision alone is insufficient to correct biased ESG-related decision-making.
Bihari et al. (Sustainable Development, Wiley)	2025	To examine the interaction between ESG investing principles and behavioural biases in shaping retail investor decisions in the Indian context.	Quantitative empirical study; Indian retail investor sample; structural equation modelling.	ESG principles, behavioural biases, investor decision-making, sustainable development, Indian retail market.	The interaction between ESG understanding and behavioural biases is significantly underexplored in India. ESG literacy reduces the impact of biases but does not eliminate them — emotional responses to ESG communication remain influential.

Table 2: Review of Literature (Author-wise)

Research Gap

While existing literature confirms that greenwashing perception reduces ESG investment intention (Gacem et al., 2025), that Indian retail investors show simultaneous interest and skepticism toward green products (Pacific Business Review, 2025), and that financial literacy alone cannot overcome behavioural deterrence (MDPI, 2025; Bihari et al., 2025), no published study has synthesised these findings within the specific context of Maharashtra's semi-urban retail investor base and India's post-BRSR regulatory environment. This paper fills that gap by connecting greenwashing perception, BRSR's trust-building potential, behavioural finance mechanisms, and Maharashtra's regional investor diversity into a single analytical framework.

5. RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design grounded entirely in secondary data. No primary surveys, questionnaires, interviews, or field work of any kind were conducted. The aim is to synthesise a fragmented body of evidence into a coherent analytical argument about the greenwashing-trust gap facing Maharashtra's retail investors in the context of India's post-BRSR regulatory environment.

Sources of Data

- Regulatory Documents: SEBI circulars on BRSR (2021, 2023, 2024), SEBI Board Meeting papers, National Guidelines on Responsible Business Conduct, and SEBI advisory committee reports on ESG disclosures.
- Peer-Reviewed Academic Literature: Studies from Finance Research Letters, MDPI Sustainability, MDPI Journal of Risk and Financial Management, International Journal of Management Public Policy and Research, Pacific Business Review International, and Wiley's Sustainable Development journal.
- Industry and Market Reports: AMFI monthly AUM data, EY-CII Financial Inclusion Survey, KPMG India, Morningstar, and CFA Institute India. Used exclusively for market statistics, not as academic evidence, and clearly identified as such throughout.
- Company BRSR Disclosures: Publicly available BRSR filings from Maharashtra-headquartered listed companies accessed via BSE, NSE, and company investor relations portals.

Analytical Approach

The analysis proceeds through three sequential stages. The first stage traces the chronological evolution of BRSR and assesses what each regulatory development was designed to achieve in terms of information asymmetry reduction. The second stage synthesises global and Indian academic evidence around the key variables: greenwashing perception, investor trust, BRSR awareness, and ESG investment intention. The third stage applies these findings to Maharashtra's specific investor context, using available demographic and financial literacy data to assess how global evidence maps onto the state's semi-urban retail investor reality.

6. THEORETICAL FRAMEWORK

Three constructs from behavioural finance and economics anchor this paper's analytical argument.

Theory of Planned Behaviour (Ajzen, 1991)

Investment intention is determined by attitude toward the behaviour, subjective norms, and perceived behavioural control. Greenwashing perception undermines all three: it sours attitudes toward ESG funds, signals to investors that informed peers are also avoiding green products, and makes the investment environment feel too opaque to navigate confidently.

Negativity Bias (Kahneman and Tversky, 1979)

Negative information exerts disproportionately large effects on judgment relative to equivalently positive information. A single credible greenwashing allegation leaves a lasting negative imprint on investor trust that multiple positive BRSR disclosures struggle to reverse. This asymmetry explains why improved disclosure quality, while necessary, is insufficient on its own to restore ESG investor confidence.

Signalling Theory (Akerlof, 1970; Spence, 1973)

In markets where product quality cannot be independently verified, trust substitutes for information. BRSR is designed to be a credible signal — independently verified ESG data that reduces information asymmetry. But a signal only works when it is both credible (verified data) and visible (investors actually encounter and understand it). Currently, third-party assurance under BRSR Core is still being phased in, and retail BRSR awareness is near zero in semi-urban Maharashtra. Both conditions for signal effectiveness are only partially met.

7. DATA PRESENTATION

India's ESG Mutual Fund Market

ESG mutual fund assets under management in India grew from Rs. 2,703 crore in FY 2018-19 to Rs. 10,635 crore in FY 2022-23 and approximately Rs. 10,946 crore by 2024, a nearly fourfold increase. By March 2024, eight to eleven dedicated ESG schemes were available, with five-year compound annual growth rates for leading schemes ranging between 18 and 22%. The broader Indian sustainable investing market is projected to reach USD 4.1 billion by 2030 at a 23.3% CAGR (Rits Capital, 2026). India's demat account population crossed 21.6 crore by early 2025, with Maharashtra consistently among the top states in penetration (AMFI, 2024).

Global Greenwashing Impact on Investor Behaviour

In 2024, ESG funds globally saw record outflows of USD 19.6 billion, with only ten new funds launched against 116 in 2022, and 71 existing funds closed through merger or liquidation (NYU Journal of Law and Business, 2025). Regulatory enforcement, including U.S. SEC settlements with Goldman Sachs and DWS Group, has reduced forward-looking greenwashing but has not reversed existing trust damage. The Gacem et al. (2025) study quantifies the investor-level cost: each unit of greenwashing perception reduces the probability of choosing a green fund by 1.7 percentage points.

BRSR Awareness Gap Among Semi-Urban Investors

The EY-CII Financial Inclusion Survey (2024), covering 1,033 semi-urban and rural respondents across India, found that 96% expressed interest in saving and investing but that financial product awareness was almost entirely concentrated in government schemes such as Jan Dhan and Atal Pension Yojana. ESG-specific awareness was essentially absent from the data. The MDPI (2025) study of 482 Indian retail investors confirmed that while market participation has nearly tripled since 2019, ESG-related investment behaviour remains chronically understudied and investor literacy around sustainable products remains very low. These findings confirm that BRSR's existence has not yet translated into retail investor awareness among Maharashtra's non-metropolitan districts.

8. DISCUSSION

The Gap Between Regulation and Investor Reality

There is a meaningful difference between a regulatory framework existing on paper and that framework actually functioning in the minds of the investors it is meant to protect. BRSR exists and is improving year by year. What the evidence synthesised in this paper makes clear is that very little of this improvement has reached the retail investor deciding whether to allocate savings toward an ESG fund. That investor likely has no knowledge of BRSR, may have seen ESG advertising but cannot distinguish its claims from marketing, and may have absorbed social media coverage of global greenwashing scandals without any framework for evaluating whether Indian ESG funds face the same risks. The rational response to this information vacuum is scepticism, and the evidence confirms that scepticism is what happens.

The BRSR Core Assurance Credibility Gap

The phased rollout of BRSR Core assurance, covering only 150 companies in FY 2023-24 and not reaching all 1,000 mandated entities until FY 2026-27, means that most BRSR disclosures currently lack independent verification. Signalling theory predicts that a partially credible signal is more damaging than no signal at all, because it raises questions about which disclosures can be trusted. Accelerating assurance requirements for ESG fund portfolio companies and communicating assurance status directly through investor-facing channels, rather than in regulatory documents retail investors do not access, would meaningfully close this gap.

Maharashtra's Dual Investor Profile

Maharashtra's retail investor population is not homogeneous. Metropolitan investors in Mumbai and Pune have higher financial literacy, greater advisor access, and more exposure to financial media where ESG and BRSR topics are discussed. Semi-urban investors across Satara, Kolhapur, Nashik, Sangli, and Aurangabad are increasingly active market participants but newer to capital markets and almost certainly unaware of BRSR. This matters strategically: semi-urban Maharashtra represents India's most significant untapped ESG investment potential, combining strong savings orientation with growing market participation. One-size communication strategies will underserve this population. Marathi-language, locally grounded, and practically oriented ESG literacy interventions are not optional enhancements. They are structural requirements for equitable sustainable finance growth.

9. FINDINGS

Finding 1: Greenwashing Perception is a Psychologically Grounded Deterrent

Evidence from Gacem et al. (2025), ZEW (2025), and Pacific Business Review India (2025) consistently shows that greenwashing perception reduces ESG investment intention through both rational and emotional pathways. The emotional pathway, which includes negative affect and distrust, is particularly resistant to informational correction. Regulatory transparency improvements are necessary but insufficient to restore investor confidence without parallel communication strategies.

Finding 2: BRSR Has Not Reached the Retail Investor as a Trust Signal

BRSR represents genuine regulatory progress. However, low retail awareness of the framework, particularly in semi-urban Maharashtra, means that its trust-building potential is largely unrealised at the investor level. The EY-CII (2024) survey and broader financial literacy literature confirm that capital market regulatory frameworks in India face a persistent last-mile communication challenge.

Finding 3: Semi-Urban Maharashtra Investors Represent the Highest Potential and Highest Risk

The combination of strong savings orientation, growing market participation, low ESG literacy, and near-zero BRSR awareness makes semi-urban Maharashtra investors particularly vulnerable to greenwashing fear. Their documented interest in value-aligned financial products simultaneously positions them as the most valuable segment for ESG fund growth, if trust barriers are addressed through targeted communication.

Finding 4: The Incomplete BRSR Core Assurance Rollout Sustains Information Asymmetry

With third-party assurance not covering all 1,000 mandated companies until FY 2026-27, a significant proportion of BRSR disclosures currently lacks independent verification. This incompleteness limits BRSR's effectiveness as a credibility signal and allows greenwashing perception to persist even as overall disclosure quality improves. Accelerating assurance for ESG fund-relevant portfolio companies would meaningfully reduce this structural vulnerability.

10. POLICY AND PRACTICE RECOMMENDATIONS

For SEBI and Regulatory Bodies

- Accelerate BRSR Core assurance for companies held by retail-accessible ESG mutual funds, ahead of the general phase-in schedule.
- Develop a simplified investor-facing BRSR 'green score card' available through mutual fund factsheets and AMFI's investor portal, making BRSR data accessible without specialist knowledge.
- Introduce explicit penalties for greenwashing in ESG fund marketing, including mandatory corrective disclosures and debarment provisions for materially false sustainability claims.
- Standardise methodologies across SEBI-registered ESG Rating Providers to reduce rating divergence, which the ZEW (2025) study shows erodes trust as effectively as deliberate greenwashing.

For Asset Management Companies

- Proactively communicate BRSR Core assurance status through monthly factsheets and investor apps, not only in regulatory filings that retail investors do not access.
- Develop ESG strategy explanations in regional languages, with concrete examples of fund exclusion criteria, replacing vague 'sustainable' labelling with verifiable commitments.
- Engage Marathi-language media including local newspapers, YouTube channels, and community radio to communicate the meaning of ESG investing and the regulatory protections available under BRSR.

For Financial Educators and AMFI

- Develop a dedicated BRSR investor literacy module in Marathi and English for distribution through SEBI's Investor Education campaigns and AMFI's Mutual Fund Sahi Hai initiative.
- Partner with district-level investor associations in Satara, Kolhapur, Nashik, Aurangabad, and Sangli to deliver face-to-face ESG awareness sessions connecting sustainable investing to specific investor protections under BRSR.

CONCLUSION

India has built something genuinely valuable in the BRSR framework. In a global landscape still working out how to hold companies accountable for sustainability claims, BRSR's combination of mandatory reporting, expanding assurance requirements, and standardised indicators represents a substantive achievement. This paper does not dispute that achievement. What it argues is that this achievement at the regulatory level has not yet become a reality at the retail investor level, and that the distance between the two is the central challenge facing India's sustainable finance ecosystem.

Greenwashing perception is how this distance shows up in investor behaviour. When ordinary investors fear that green labels are dishonest, and when they have no knowledge of the framework designed to make those labels honest, the result is predictable: scepticism and non-participation. Maharashtra's semi-urban retail investors, representing significant untapped ESG investment potential, are particularly exposed to this dynamic. The path forward requires SEBI to accelerate assurance timelines, asset managers to translate compliance into investor-accessible communication, and financial educators to deliver BRSR literacy in the semi-urban communities where general financial literacy campaigns have already demonstrated traction.

Future research should build on this secondary data synthesis through primary empirical work, including surveys and in-depth interviews with semi-urban Maharashtra retail investors, to test the relationships identified here with directly collected data. The theoretical framework developed in this paper, connecting BRSR awareness, greenwashing perception, investor trust, and investment intention through established behavioural finance theory, provides a rigorous foundation for that empirical work.

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