



REVIEWER'S REPORT

Manuscript No.:IJAR-58059

Title:"Modeling Volatility Spillovers Between INR Depreciation and Sectoral Stock Indices in India: A BEKK-GARCH Approach.

Recommendation:

Accept as it is

Accept after minor revision YES

Accept after major revision

Do not accept (*Reasons below*).....

Rating	Excel.	Good	Fair	Poor
Originality		YES		
Techn. Quality		YES		
Clarity		YES		
Significance		YES		

Reviewer's ID: JPR- Dr. Himanshu Gaur

Detailed Reviewer's Report

The manuscript entitled “*Modeling Volatility Spillovers Between INR Depreciation and Sectoral Stock Indices in India: A BEKK-GARCH Approach*” examines an important and highly relevant issue in financial economics by investigating the dynamic relationship between exchange rate movements and sector-specific stock market volatility in India. The study contributes to the literature by moving beyond aggregate market indices and exploring heterogeneous sectoral responses to INR depreciation using a bivariate BEKK-GARCH (1,1) framework. The topic is timely given the increasing integration of global financial markets and the sensitivity of emerging economies to exchange rate fluctuations. The abstract clearly outlines the research objective, methodology, key findings, and practical implications. The identification of asymmetric volatility spillovers across export-oriented and import-dependent sectors represents a potentially valuable contribution to the fields of financial risk management and macro-financial policy analysis. However, several areas require further refinement. First, the abstract should provide additional methodological details, including the study period, frequency of data (daily, weekly, or monthly), sample size, and rationale for selecting the five sectoral indices. Second, the manuscript should offer a stronger theoretical foundation explaining the transmission mechanisms through which exchange rate depreciation affects different sectors, supported by relevant literature on volatility spillovers, market integration, and exchange rate exposure. Third, while the use of the BEKK-GARCH model is appropriate, the authors should justify its selection over alternative multivariate volatility models such as DCC-GARCH, CCC-GARCH, or VAR-GARCH and discuss the advantages and limitations of the chosen specification. Fourth, the results section should provide detailed diagnostic tests, model adequacy assessments, and robustness checks to ensure the reliability of the estimated spillover effects. The discussion would also benefit from a deeper interpretation of the economic significance of the findings, particularly the bidirectional volatility relationship observed in the IT sector and the unidirectional spillovers affecting the Auto and Oil & Gas sectors. Furthermore, the manuscript should compare its findings with previous empirical studies conducted in India and other emerging markets to highlight similarities and differences. A separate section discussing policy implications, portfolio diversification strategies, and risk management applications would strengthen the practical contribution of the study. The limitations of the research, including sector selection, model assumptions, and potential structural breaks

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during periods of economic crises, should also be acknowledged. Minor revisions related to language clarity, formatting inconsistencies, and keyword standardization are recommended. Overall, the manuscript addresses a significant research problem and offers promising insights into sectoral exchange rate exposure in India. The study has the potential to make a meaningful contribution to the literature on financial volatility and exchange rate dynamics; however, moderate revisions are recommended to enhance methodological transparency, theoretical grounding, and analytical depth before publication.