ISSN(O): 2320-5407 | ISSN(P): 3107-4928

International Journal of Advanced Research

Publisher's Name: Jana Publication and Research LLP

www.journalijar.com

REVIEWER'S REPORT

Manuscript No.: IJAR-58709

Title: Passive Investing India

Recommendation:
Accept as it is ....
Accept after minor revision.................
Accept after major revision ....
Do not accept (*Reasons below*) ....

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

Reviewer's ID: JPR-002

Detailed Reviewer's Report

The manuscript titled *"**The Rise of Passive Investing: Examining Index Fund Adoption Among India's Retail Investors**"* addresses a timely and relevant issue in the Indian mutual fund and investment landscape, particularly the rapid expansion of passive investment products and the apparent gap between retail investor interest and actual retail ownership of passive fund assets. The manuscript has a clear central argument and uses AMFI data and investor survey evidence to establish the growth of passive investing in India. The topic is significant because it connects investor behaviour with mutual fund distribution structures and provides an interesting explanation for why growing awareness of passive products has not necessarily resulted in a proportionate increase in retail ownership. The introduction establishes the background effectively, but the research objective and research gap could be stated more explicitly, particularly by explaining what new analytical contribution the paper makes beyond documenting the growth of passive funds. The discussion of industry growth is useful and supported by numerical indicators such as passive fund AUM, folio growth, and the reported increase since 2019; however, all quantitative figures should be carefully cross-verified with the original AMFI reports, and the paper should consistently distinguish between AUM, folios, and individual investors because these measures represent different dimensions of market participation. The use of the Motilal Oswal Passive Survey provides useful investor-level evidence regarding awareness, adoption, cost efficiency, diversification, simplicity, and transparency, but the authors should provide greater information about the survey methodology, sampling design, respondent characteristics, and representativeness before

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generalizing the findings to India's entire retail investor population. The manuscript's strongest contribution is its identification of the structural gap between retail interest and retail ownership, with retail investors reportedly accounting for only a small share of total passive fund AUM despite increasing adoption and awareness. However, the central argument that distributor commission structures create a systematic preference for actively managed products requires stronger empirical evidence. The authors should provide specific information on commission differences, distribution channels, incentive structures, and, if possible, evidence demonstrating that distributor incentives actually influence investor product selection rather than merely presenting this as a plausible explanation. The discussion of gold and silver ETFs is interesting but somewhat tangential to the core research question concerning retail adoption of passive investing, and the authors should explain more clearly whether commodity-linked ETFs are being treated as part of the same passive-investing phenomenon or as a separate development. The discussion section provides a balanced interpretation by recognizing both the rapid growth of passive investing and the continuing influence of distribution economics, but the analysis would be strengthened through comparison with other countries or mature markets and through greater engagement with existing academic literature on investor behaviour, financial advice, mutual fund distribution, and passive investment adoption. The conclusion is consistent with the manuscript's central argument and effectively emphasizes that India's passive investment growth should not simply be interpreted as retail investors abandoning active management; however, the conclusion would be stronger if it clearly separated evidence-supported findings from the authors' interpretation and identified specific implications for investors, regulators, asset-management companies, and distributors. The reference list includes relevant institutional and industry sources, but greater reliance on peer-reviewed academic literature is recommended, and all secondary media and industry claims should be verified against original primary sources. Overall, the manuscript is well focused, readable, and policy relevant, with a potentially valuable contribution through its emphasis on the retail ownership gap and distribution incentives; however, it requires **Minor Revision** to strengthen the research gap, methodological transparency, empirical support for the distributor-incentive argument, source verification, academic literature integration, and analytical depth before publication.