

REVIEWER'S REPORT

Manuscript No.: IJAR-59593

Title: Retail Investor Participation and Financial Inclusion in 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

Manuscript title: Retail Investor Participation and Financial Inclusion in India

The manuscript examines the expansion of retail investor participation in India and its relationship with financial inclusion, financial literacy, gender and regional disparities, and risks associated with equity derivatives. The topic is relevant to financial policy and investor protection. The paper has practical value, but several areas require improvement before publication.

Originality and contribution

The paper makes a useful attempt to connect banking inclusion with participation in securities markets. However, the authors should explain more clearly how this approach differs from existing studies of financial inclusion, household investment behaviour, and stock market participation. The research contribution should be stated more precisely in the introduction and conclusion.

Literature review

The literature review covers financial inclusion, household finance, financial literacy, trust, and trading behaviour. However, it is mainly descriptive. The authors should critically compare the findings of previous studies and explain how they support the research questions. More recent empirical studies on Indian retail investors, digital investment platforms, and investor protection would strengthen the review.

Research methodology and data sources

The study uses secondary data from SEBI, NSE, NSDL, CDSL, AMFI, RBI, NPCI, and other sources. The descriptive approach is appropriate for presenting broad trends, but the authors should specify the data collection and selection procedures more systematically. Direct links to official reports,

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publication dates, and precise reference details should be provided wherever possible, particularly for figures obtained through news reports.

Measurement of retail investor participation

The manuscript reports substantial growth in demat accounts and unique NSE investors. However, demat accounts, trading accounts, unique registered investors, mutual fund folios, and SIP accounts represent different measures and should not be treated as interchangeable. The authors should clearly distinguish account ownership from unique individuals, active participation, and sustained investment behaviour.

Financial inclusion and market participation

The paper argues that India has progressed from expanding access to improving the quality of participation. This is a useful central argument, but the relationship between the RBI Financial Inclusion Index, Jan Dhan accounts, digital payments, and securities-market participation remains largely descriptive. The authors should distinguish the observed trends from any inferred relationship and avoid suggesting causation without supporting empirical evidence.

Gender and regional inequalities

The discussion of women's participation and the concentration of investors in a limited number of states is important. However, comparisons between women's share of Jan Dhan accounts and their share of NSE investors should be interpreted cautiously because the two measures refer to different populations and financial activities. The authors should explain data coverage, use consistent denominators where possible, and explore rural–urban and income-related disparities more systematically.

Equity derivatives and investor risk

The discussion of losses among individual derivatives traders is one of the paper's important contributions. However, the authors should clearly distinguish the percentage of traders making losses, aggregate net losses, and transaction costs. The FY22–FY26 cumulative figures and year-on-year comparisons should be verified against the original SEBI studies. The manuscript should also avoid implying that all new retail investors engage in speculative trading.

Numerical consistency and verification

The manuscript contains several indicators drawn from different reporting periods, including figures through September 2026. All numbers, dates, units, percentages, and comparisons should be checked against their original sources. Particular attention should be given to demat account totals, SIP contributions, investor counts, and derivatives-loss estimates. The authors should reconcile apparent differences between reporting dates and explain any revisions or methodological differences.

Policy recommendations and practical implications

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The recommendations on financial education, low-cost investment products, women's participation, suitability checks, grievance redressal, and investor data are relevant. However, the paper would benefit from linking each recommendation to a specific finding. A concise implementation framework identifying responsible institutions, target groups, measurable indicators, and review periods would improve its usefulness to policymakers and regulators.

Structure, references, and conclusion

The manuscript follows a logical structure and covers the major dimensions of retail investment participation. Nevertheless, the authors should improve the presentation and readability of tables and figures, standardize citations and abbreviations, and ensure that all references are complete and traceable. The conclusion should summarize the principal contribution, acknowledge the limitations of secondary descriptive data, and avoid claims that extend beyond the evidence presented.