Journal of Business and Management Sciences, 2013, Vol. 1, No. 1, 4-9
Available online at http://pubs.sciepub.com/jbms/1/1/2

DOI:10.12691/jbms-1-1-2

Role of Indian Mutual Funds in Financial Inclusion: Public Vs Private Sector

G.V.SATYA SEKHAR*

Department of Finance, GITAM UNIVERSITY, Visakhapatnam, India
*Corresponding author: gudimetlavss@yahoo.com, vssg17@gmail.com

Received January 20, 2013; Revised January 29, 2013; Accepted March 08, 2013

Abstract The mutual fund organizations are taking active part in financial inclusiveness and they are promoting investment habit among the investors. At present there are 37 Asset Management Companies (AMCs) comprise the mutual fund industry and manage assets over Rs 8075 billion. This industry has undergone spectacular growth in recent years, making this study one of extreme interest. In this context, this paper is intended to examine the role of mutual fund organization in financial inclusiveness with reference to performance through public and private sector.

Keywords: *mutual funds, financial inclusiveness, AMC and investor composition*

1. Introduction

The Indian economy is growing at a steady rate of 8.5 % to 9% in the last five years or so. Most of the growth is from industry and services sector [1]. Limited access to affordable financial services such as savings, loan, remittance and insurance services by the vast majority of the population in the rural areas and unorganised sector is believed to be acting as a constraint to the growth impetus in these sectors. Access to affordable financial services – especially credit and insurance – enlarges livelihood opportunities and empowers the poor to take charge of their lives. Apart from these benefits, ‘Financial Institutions’ imparts formal identity, provides access to the payments system and to savings safety net like deposit insurance.

The role of financial institutions can be thought of in two ways. One is exclusion from the payments system –i.e. not having access to a bank account. The second type of exclusion is from formal credit markets, requiring the excluded to approach informal and exploitative markets. After nationalisation of major banks in India in 1969, there was a significant expansion of branch network to unbanked areas and stepping up of lending to agriculture, small industry and business. More recently, the focus is on establishing the basic right of every person to have access to affordable basic banking services. This paper is intended to examine the role of mutual fund organizations in financial inclusiveness with a statistical evidence of progress made by them during 2002-2010.Indian mutual funds have been organized through the Indian Trust Acts, under which they have enjoyed certain tax benefits for themselves as well as to their investors also. Indian investors have been able to invest through mutual funds since 1964 after launching of Unit Trust of India by the government of India. During the period 1987 and 1992, public sector banks and insurance companies have also entered in to mutual fund industry. Later, private sector mutual funds have been allowed from 1993, which brought competition to the mutual fund industry. This has resulted in the introduction of new products and improvement of services which lead to massive financial inclusion programme.

2. Literature Review

Sharpe (1964) [2] measure is based on capital asset prices, market conditions with the help of risk and return probabilities. Treynor (1965) [3] considers measuring a portfolio’s return relative to its systematic risk more appropriate. Michael C. Jensen (1967) [4] results indicate that the funds are not able to predict security prices well enough to outperform a buy-the-market and hold policy. Smith and Tito (1969) [5] conducted a study into 38 funds for 1958-67 and published results relating to performance of mutual funds. Jayadev (1996) [6] focuses on performance of two growth oriented mutual funds(Mastergain and Magnum Express) on the basis of monthly returns compared to benchmark returns.

Bala Ramasamy and Yeung (2003) [7] survey focuses on Malaysia where the mutual fund industry started in the 1950s but only gained importance in 1980s with the establishment of government initiated programme. Koh, Kok and Hir (1989) reported that the evidence was inconclusive as to the presence of market timing abilities amongst Singapore fund managers.

Grinblatt and Titman (1992) analyze performance of 279 funds over the period of 1975 to 1984 using a benchmark technique and find evidence that performance differences between funds persists over time.

Verma (1992)’s [8] study on mutual fund covers the conceptual and regularity aspect of Indian mutual fund with some information task and guidelines to the investors in selection of mutual fund.

Subash Chander and Jaspal Singh(2004) [9] found that Alliance Mutual Fund and Prudential ICICI Mutual funds have posted better performance for the period of study in that order as compared to other funds. Pioneer ITI, however, shown average performance and Templeton India mutual fund has staged a poor show. Sudhakar and Sasi Kumar (2005) [10] was found that most of growth oriented mutual funds have been able to deliver better returns than the benchmark indicators. George Comer (2006) [11] examined the stock market timing ability of two samples of hybrid mutual funds. Yoon K Choi (2006) [12] proposed an incentive compatible portfolio performance evaluation measure [13] in which managers are to maximize investors' gross returns net of managerial compensation.

Ramesh Chander(2006), study under consideration is based on the performance outcome of 80 investment schemes from public as well as private sector for the five-year period encompassing January 1998 through December 2002. The sample comprised 33.75 per cent of small, 26.75 per cent of medium, 21.25 per cent of large and 18.75 of the giant funds[14].

Gajendra Sidana (2007) [15] finds inconsistencies between investment style/objective classification and the return obtained by the fund. Subha and Bharathi (2007) [16] study is carried out for open end mutual fund schemes and 51 schemes are selected by convenient sampling method. NAV's are taken for a period of one year from 1st October 2004 to 30th September, 2005. Out of the 51 funds as many as 18 schemes earned higher returns than the market return. The remaining 33 funds however generated lower returns than the market.

Lakshmi, et al (2008) [17], studied sample schemes in the eight years period. All the sample schemes were not well diversified as depicted by the differences in the Jensen alpha and Sharpe's differential return. Shankar (2008) [18] finds that the present turmoil in mutual fund industry is mostly caused by over-reaction of regulatory authorities. Non-equity assets under management were about 4,00,000 crores in April,2008 declined to 2,50,000 crores in October, 2008. This may be due to environmental issues caused by events outside of India. Even corporate investors of liquid plus and fixed maturity investment are opted for redemptions. Philip Turner (2008) [19] focuses on emerging market economies, which have adopted a number of measures to address financial stability concerns. Most have sought to bring prudential and regulatory framework inline with international best practices. Dubravo Mihaljek [20] (2008), focuses in particular on the implications of, and policy responses to, increased cross-border banking flows. He identifies two important issues: i) under estimation of the build-up in credit risk arising from rapid credit growth, ii) Risk of a sharp slowdown or reversal in bank-intermediated capital flows.

2.1. Classification of Investors:

Financial inclusiveness of various investors which is classified by the Association of Mutual Funds in India (AMFI) into five groups – (a) Corporate investors (b) Banks and Financial Institutions (c) Foreign Institutional Investors (d) High Net worth Individuals and (e) Retail investors.

a. Corporate Investors - A corporate entity or a company is defined as 'an institution and an artificial person created to conduct business'. A company that invests in mutual fund organizations. A raider is a corporate investor who intends to take over a company by buying a controlling interest in its stock and installing new management

b. Banks and Financial Institutions (or Institutional investors) : These are organizations which pool large sums of money and invest those sums in companies. Institutional investors will have a lot of influence in the management of corporations because they will be entitled to exercise the voting rights in a company. Furthermore, because institutional investors have the freedom to buy and sell shares, they can play a large part in which companies stay solvent, and which go under.

c. Foreign Institutional Investors (FIIs): FIIs have been allowed to invest in the Indian securities market since September 1992 when the Guidelines for Foreign Institutional Investment were issued by the Government. The SEBI (Foreign Institutional Investors) Regulations were enforced in November 1995, largely based on these Guidelines. The regulations require FIIs to register with SEBI and to obtain approval from the Reserve Bank of India (RBI) under the Foreign Exchange Regulation Act to buy and sell securities, open foreign currency and rupee bank accounts, and to remit and repatriate funds. Once SEBI registration has been obtained, an FII does not require any further permission to buy or sell securities or to transfer funds in and out of the country, subject to payment of applicable tax. Foreign investors, whether registered as FIIs or not, may also invest in Indian securities outside the FII process. Such investment requires case-by-case approval from the Foreign Investment Promotion Board (FIPB) in the Ministry of Industry and RBI, or only from RBI depending on the size of investment and the industry in which the investment is to be made. Investment in Indian securities is also possible through the purchase of GDRs. Foreign currency convertible bonds and foreign currency bonds issued by Indians that are listed, traded, and settled overseas are mainly denominated in dollars. Foreign financial service institutions have also been allowed to set up joint ventures in stock broking, asset management companies, merchant banking, and other financial services firms along with Indian partners.

d. High Networth Individuals (HNI): A classification used by the financial services industry to denote an individual or a family with high net worth. Although there is no precise definition of how rich somebody must be to fit into this category, high net worth is generally quoted in terms of liquid assets over a certain figure. The exact amount differs by financial institution and region. The categorization is relevant because high net worth individuals generally qualify for separately managed investment accounts instead of regular mutual funds. HNIs are in high demand by private wealth managers. The more money a person has, the more work it takes to maintain and preserve those assets. These individuals generally demand (and can justify) personalized services in investment management, estate planning, tax planning, and so on.

e. Retail Investors: Individual investors who buy and sell securities for their personal account, and not for another company or organization. Also known as an "individual investor" or "small investor". Retail investors buy in much smaller quantities than larger institutional investors.

3. Progress of Financial Inclusiveness

The following paragraphs indicate the progress of financial inclusiveness in the mutual fund industry through the analysis of unit holding pattern.

3.1. Unit Holding Pattern in 2001-02

As on March 31, 2002 there are a total number of 3.08 crore investors accounts (it is likely that there may be more than one folio of an investor which might have been counted more than once and actual number of investors would be less) holding units of Rs.100594 crore. Out of this total number of investors accounts, 3.02 crore are individual investors accounts, accounting for 98.04 of the total number of investors accounts and contribute Rs. 55487 crore which is 55.16 of the total net assets. Corporate and institutions who form only 1.46 % of the total number of investors accounts in the mutual funds industry, contribute a sizeable amount of Rs. 43403 crore which is 43.15% of the total net assets in the mutual funds industry. The NRIs and OCBs constitute a very small percentage of investors accounts and contribute Rs. 306 crore (0.30%) of net assets. The details of unit holding pattern are given in the following Table 1:

Table 1. UNIT HOLDING PATTERN OF MUTUAL FUNDS INDUSTRY. As on 31st March, 2002

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	30238065	98.04	55487	55.16
NRIs	154622	0.50	1398	1.39
FIIs	1123	0.00	306	0.30
Corporates/ Institutions/ Others	450132	1.46	43403	43.15
TOTAL	30843942	100.	100594	100.

FI: Financial Institutions, FII: Foreign Institutional Investors. Source: SEBI, 2002

3.2. Unit Holding Pattern in 2008-09:

As on March 31, 2009 there are a total number of 4.76 crore investors accounts (it is likely that there may be more than one folio of an investor which might have been counted more than once and actual number of investors would be less) holding units of Rs. 419,321.66 crore. Out of this total number of investors accounts, 4.61 crore are individual investors accounts, accounting for 96.75% of the total number of investors accounts and contribute Rs. 1,55,283.21crore which is 37.03% of the total net assets. Corporate and institutions who form only 1.21% of the total number of investors accounts in the mutual funds industry, contribute a sizeable amount of Rs. 2,36,233.35 crore which is 56.34% of the total net assets in the mutual funds industry. The NRIs and FIIs constitute a very small percentage of investors accounts (2.04%) and contribute Rs. 27,805.10 crore (6.63%) of net assets. The details of unit holding pattern are given in the following Table 2.

Table 2. UNIT HOLDING PATTERN OF MUTUAL FUNDS INDUSTRY. As on 31st March, 2009

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	4,60,75,763	96.75	1,55,283.21	37.03
NRIs	9,71,430	2.04	22,821.28	5.44
FIIs	146	0.00	4,983.82	1.19
Corporates/ Institutions/ Others	5,75,938	1.21	2,36,233.35	56.34
TOTAL	4,76,23,277	100	4,19,321.66	100

FI: Financial Institutions, FII: Foreign Institutional Investors
Source: Association of Mutual Funds in India (AMFI), 2009.

4. Role of Public Vs Prviate Sector

The following paragraphs depicts the performance of public and private sector in financial inclusion programme by the year 2002.

4.1. Private Sector

Out of a total of 41.61 laksh investors accounts in the private sector, 40 lakhs are individual investors accounts i.e. 96.11% of the total investors accounts are in private sector mutual funds. However, the private sector mutual funds manage 41459 crores of the net assets contributes nearly 42 per cent of the total net assets.

4.2. Public Sector (other than UTI)

Out of a total of 2.67 lakhs investors accounts, 22.22 lakhs are individual investors accounts i.e. 97.95% of the total investors. Hence, the contribution made by this sector is, net asset value Rs.7,701 cores and it is only 8 per cent of aggregate net assets.

4.3. Unit Trust of India

The major contributor for financial inclusion in mutual fund industry is Unit Trurs of India. Out of a total of 24.41 lakhs investors accounts, 24.01 lakhs are individual investors accounts i.e. 98.375% of the total investors . The total contribution by UTI is net asset value Rs.51433 cores and it is nearly 51 per cent of aggregate net assets. Details of unit holding pattern of private sector and public sector mutual funds(other than UTI), and Unit Trust of India, are given in the following Table 3 and Table 4:

Table 3. UNIT HOLDING PATTERN OF PRIVATE SECTOR MFS. As on 31st March, 2002

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	4000117	96.11	15024.71	36.24
NRIs	32267	0.78	523.47	1.26
FIIs	35	0.00	288.61	0.70
Corporates/ Institutions /Others	129423	3.11	25622.19	61.80

FI: Financial Institutions, FII: Foreign Institutional Investors, Source: SEBI, 2002.

Table 4. UNITHOLDING PATTERN OF PUBLIC SECTOR MFS (OTHER THAN UTI MF) As on 31st March, 2002

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	2221362	97.95	3116.24	40.46
NRIs	8486	0.37	143.73	1.87
FIIs	956	0.04	6.35	0.08
Corporates/ Institutions/ Others	37020	1.64	4435.27	57.59
TOTAL	2267824	100.00	81939.03	100.00

FI: Financial Institutions, FII: Foreign Institutional Investors, Source: SEBI, 2002.

Table 5. UNIT HOLDING PATTERN OF UNIT TRUST OF INDIA MF. As on 31st March, 2002

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	24016586	98.37	37345.74	72.61
NRIs	113869	0.47	729.88	1.42
FIIs	132	0.00	11.06	0.02
Corporates/ Institutions/ Others	283689	1.16	13346.93	25.95
TOTAL	24414276	100.	51433.61	100.

FI: Financial Institutions, FII: Foreign Institutional Investors, Source: SEBI, 2002.

5. Progress upto 2009-10:

The growth data indicates that there is overwhelming response by investors in mutual funds. This is a clear outcome for the economic development through financial inclusion strategies of mutual fund organization. Out of a total of 4.76 crore investors accounts in the mutual funds industry, (it is likely that there may be more than one folio of an investor which might have been counted more than once and therefore actual number of investors may be less) 3.16 crore investors accounts i.e. 66.27% of the total investors accounts are in private sector mutual funds whereas the 1.61 crore investors accounts i.e. 33.73% are with the public sector mutual funds which includes UTI Mutual Fund. However, the private sector mutual funds manage 80.46% of the net assets whereas the public sector mutual funds own only 19.54% of the assets. Details of unit holding pattern of private sector and public sector mutual funds are given in the following table:

Table 6. UNIT HOLDING PATTERN OF PRIVATE SECTOR MFS. As on 31st March, 2009

Category	Number Of Investors Accounts	% To Total Investors Accounts	Net Assets (Rs.Crore)	% To Total Net Assets
Individuals	3,03,62,538	96.21	1,21,676.51	36.06
NRIs	8,13,062	2.58	21,093.62	6.25
FIIs	128	0.00	4,888.98	1.45
Corporates/ Institutions/ Others	3,83,783	1.22	1,89,723.52	56.23
TOTAL	3,15,59,511	100.	3,37,382.63	100

FI: Financial Institutions, FII: Foreign Institutional Investors

5.1. Public Sector

The Table 7 indicates the growth of Unit Trust of India Mutual Fund and Public Sector (other than UTI) during the period 2003-2009. It is observed that there is a continuous growth in assets under management by UTI MF up to the April, 2008 followed by a marginal decrease in the year 2009. It is apparent that there was a fourfold increase of assets in case of UTI and 7 times increase in case of other public sector mutual funds during 2003-2009.

Table7. Trends in AUM of Public Sector Mutual Fund

Year	UTI Rs. Crores	Simple Index	Public Sector (other than UTI)	Simple Index
April 2003	13,532	100	7897	100
April 2004	19,848	147	12001	152
April 2005	20,478	151	11924	150
April 2006	30,109	223	23967	303
April 2007	33,517	248	29747	376
April 2008	52,549	388	50251	636
February, 2009	49,225	364	56822	719

Note: Simple Index calculated based on the year April 2003.

5.2. Private Sector

It is necessary to study the role of private sector in the economic development through accumulation of investment by the people. Thus, the Table 9 indicates the growth of private sector mutual funds during the period 2003-2009. It is observed that there is a continuous growth up to April, 2008 and a marginal decrease in the year 2009. During 2003-08, there was nine fold growth in the assts under management see Figure 1.

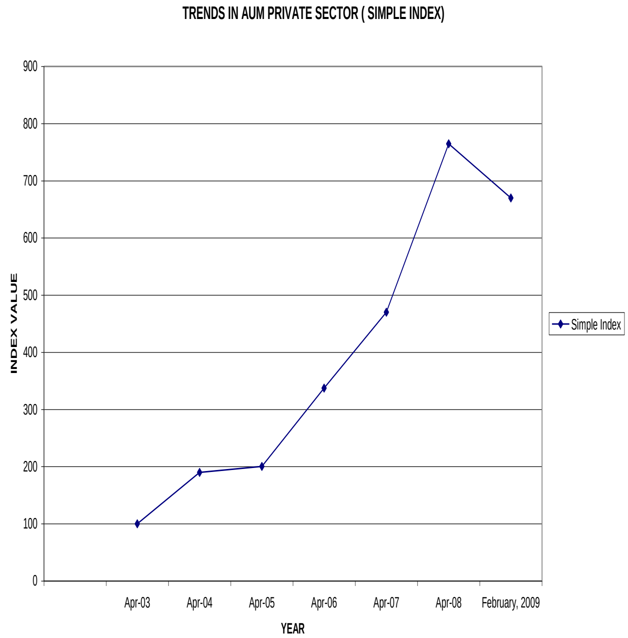

Figure 1. Trends in AUM of Private Sector Mutual Funds in India. Note: Simple Index calculated based on the year April 2003.

5.3. Comparative Analysis

Here, a comparative analysis indicates the role of private sector and public sector during 2003-2009. Table 8 shows average annual growth rate in the AUM of the UTI, Public Sector (other than UTI) and the private sector mutual funds during 2003-2009. It is interesting to note that the highest percentage of overall growth is observed during the year 2005-06, followed by the year 2007-2008. Hence, we can conclude that in these two years there was positive influence of fluctuations in portfolio management. Only in the years 2004-05 and 2008-2009 there were overall negative growth rates recorded.

Table 8. Average Annual Growth Rate in AUM during April, 2003-February,2009

Year	UTI % Growth	Public Sector (other than UTI)	Private % Growth	Overall % Growth
2003-2004	52.36	52	38.87	47.74
2004-2005	4.49	-2	-1.42	0.35
2005-2006	44.15	100	29.23	57.39
2006-2007	17.87	24.12	20.91	2.96
2007-2008	37.91	68.27	32.59	46.25
2008-2009*	-6.33	13.08	-13.67	-2.30

*Up to February, 2009

Economic development through the retail sector can also be examined to study the impact of financial inclusion. The following table focuses on the role of retail sector in India's mutual fund industry as on Sept 30th, 2012.

Table 9. INCREASING ROLE OF RETIAL SECTOR - ASSET UNDER MANAGEMENT AND FOLIOS - CATEGORY WISE - AGGREGATE - AS ON September 30, 2012

Types of Schemes	Investor Classification	AUM (Rs. Cr)	% to Total
Liquid/Money Market	Corporates	119889.43	81.78
	Banks/FIs	20021.25	13.66
	FIIs	929.51	0.63
	High Networth Individuals*	4758.34	3.25
	Retail	1003.03	0.68
	Total	**146601.57**	**100.00**
Gilt	Corporates	2157.19	64.27
	Banks/FIs	9.95	0.30
	FIIs	1.25	0.04
	High Networth Individuals*	969.84	28.89
	Retail	218.32	6.50
	Total	**3356.51**	**100.00**
Debt Oriented	Corporates	189955.49	53.87
	Banks/FIs	5233.96	1.48
	FIIs	2273.02	0.64
	High Networth Individuals*	129990.37	36.86
	Retail	25173.09	7.14
	Total	**352625.92**	**100.00**
Equity Oriented	Corporates	17606.93	9.40
	Banks/FIs	2058.96	1.10
	FIIs	1324.19	0.71
	High Networth Individuals*	36158.07	19.30
	Retail	130153.47	69.49
	Total	**187301.63**	**100.00**
Balanced	Corporates	2003.30	11.62
	Banks/FIs	34.17	0.20
	FIIs	10.59	0.06
	High Networth Individuals*	6100.95	35.39
	Retail	9090.42	52.73
	Total	**17239.42**	**100.00**
Gold ETF	Corporates	5943.59	53.07
	Banks/FIs	9.80	0.09
	FIIs	1.80	0.02
	High Networth Individuals*	2143.80	19.14
	Retail	3099.87	27.68
	Total	**11198.85**	**100.00**
ETFs(other than Gold)	Corporates	500.12	27.69
	Banks/FIs	53.74	2.98
	FIIs	174.83	9.68
	High Networth Individuals*	715.57	39.61
	Retail	362.13	20.05
	Total	**1806.39**	**100.00**
Fund of Funds investing Overseas	Corporates	344.51	14.38
	Banks/FIs	5.33	0.22
	FIIs	0.00	0.00
	High Networth Individuals*	1137.21	47.47
	Retail	908.73	37.93
	Total	**2395.79**	**100.00**
	Grand Total	**722526.08**	

6. Conclusion

This paper discusses about the role of mutual funds in the financial inclusion vis-à-vis public and private sectors. As per the data, we can observe that private sector is playing a vital role in economic development as they have major market share contributing nearly 90 per cent. However, Unit Trust of India has shown significant growth in the year 2008-2009. Hence, 37 organizations in mutual fund industry are working together for financial inclusion.

Abbreviation

NRI: Non Resident Indian: A non-resident Indian (NRI) is an Indian citizen who has migrated to another country, a person of Indian origin who is born outside India, or a person of Indian origin who resides outside India. Other terms with the same meaning are overseas Indian and expatriate Indian. In common usage, this often includes Indian-born individuals (and also people of other nations with Indian ancestry) who have taken the citizenship of other countries.

References

[1] http://www.bis.org/review/r07062.

[2] Sharpe, William F, "Capital Asset Prices: A Theory of Market Equilibrium under conditions of Risk', Journal of Finance, 19: Sept, pp 225-242. 1964.

[3] Treynor Jack L, "How to rate management of investment funds', Harvard Business Review, Vol.43, pp 63-75. 1965.

[4] Michel C Jensen, The Performance of Mutual Funds in the Period 1945-64, Journal of Finance, Vol.N0.23, No.2, pp 389-416. 1967.

[5] Born Karn Eric, International Banking in the 19th and 20th Centuries, New York: St. Martin's Press, 1983.

[6] Jayadeve M, Mutual Fund Performance: An Analysis of Monthly Returns, Finance India, Vol. X, No.1, March, pp 73-84. 1996.

[7] Bala Ramasamy and Matthew C.H. Yeung, 'Evaluating Mutual Funds in an emerging market: factors that matter to financial advisors', International Journal of Bank Marketing, Vol. 21, No.3, pp.122-136. 2003.

[8] Verma J.C., 'Merchant Banking and Financial Services'.

[9] Subash Chander and Japal Singh, 'Performance of Mutual Funds in India: An Empirical evidence', The ICFAI Journal of Applied Finance, pp 45-63. June, 2004.

[10] Sudhakar A and Sasi Kumar K, 'Performance Evaluation of Mutual Funds: A Case Study', Southern Economist, November, pp 19-23. 2005.

[11] George Comer, 'Hybrid Mutual Funds and Market Timing Performance, Journal of Business, Vol. 79, No.2, pp 771- 797. 2006.

[12] Yoon K Choi, Relative Portfolio Performance Evaluation and Incentive Structure, Journal of Business, Vol.79, No.2, pp 903-921. 2006.

[13] In this model, a risk-averse portfolio manager is delegated to manage a fund, and his portfolio construction (and information-gathering) effort is not directly observable to investors.

[14] Ramesh Chander, "Informational Efficiency, Parameter Stationary and Bench Mark Consistency of Investment Performance, The ICFAI Journal of Applied Finance, March, 2006.

[15] Gajendra Sidana, Classifying Mutual Funds in India: Some results from clustering, Indian Journal of Economics and Business, 2007.

[16] Subha MV and Bharati Jaya S, 'An Empirical study on the performance of select mutual fund schemes in India, Journal of Contemporary Research in Management, Vol. I, No.1, 2 Jan-June, 2007.

[17] Kajshmi N, Malabika Deo and Murugesan B, "Performance of the Indian Mutual Funds; A Study with special reference to growth schemes', Asia-Pacific Business Review, Vol. Iv, No.3, July-September, pp 75-81. 2008.

[18] Shankar V, 'Lessons from recent events in the mutual fund debt markets', Dec 1st, 2008, The Hindu.

[19] Philip turner, 'Financial Globalization and Emerging Market Capital Flows', BIS papers No.44, Bank for International Settlements, Dec, 2008.

[20] Dubravko Mihaljek, 'The financial stability implications of increased capital flows for emerging market economies', BIS papers No.44, Bank for International settlements, Dec, 2008.