

Quarterly Estimate of real per cent)	2009-10 2010-11				GDP (Year-on-year in			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP at factor cost at 2004-05 prices	6.3	8.6	7.3	9.4	9.3	8.9	8.3	7.8

(c) Does not arise.

(d) While apparently there is a slowdown in real GDP in the fourth quarter of 2010-11, it is more in the nature of a cyclical swing, which might continue through the first quarter of 2011-12, but it is expected to pick up in subsequent quarters.

(e) Does not arise.

#### Functioning of MFIs in the country

974. SHRI SHYAMAL CHAKRABORTY: Will the Minister of FINANCE be pleased to state:

(a) the total number of beneficiaries who have taken loan from Micro-Finance Institutions (MFIs); and

(b) the total amount of money invested by MFIs in the country till date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) and (b) There are 13 Non-Banking Financial Company (NBFC) Micro-Finance Institutions (MFIs) (with asset size of above Rs. 100 crore) in the country regulated by Reserve Bank of India (RBI). The loans, advances and investments of these MFIs as on March 31, 2011 are as under:—

#### *Details of Advances/Investments by NBFC-ND-SIs (MFIs) as on March 31, 2011*

(Rs. in lakhs)			
Sl. No.	Name of the company	Loans and Advances	Investments
1	2	3	4
1.	Asmitha Microfin Ltd.	133632.00	20.00
2.	Bandhan Financial Services Pvt. Ltd.	213067.25	20.00
3.	Bhartiya Samruddhi Finance Ltd.	117554.85	20.00
4.	BSS Microfinance Private Ltd.	12682.84	20.00
5.	Future Financial Services Ltd.	19468.18	23.55

1	2	3	4
6.	Grameen Financial Services Pvt. Ltd.	18333.99	20.00
7.	Janalakshmi Financial Services Pvt. Ltd.	12263.34	10.00
8.	Maanaveeya Holdings and Investments Pvt. Ltd.	40434.74	300.00
9.	Satin Creditcare Network Ltd.	18268.73	68.50
10.	Share Microfin Ltd.	220526.53	20.00
11.	SKS Microfinance Ltd.	347889.96	375.61
12.	Spandana Sphoorty Financial Ltd.	291228.95	10.00
13.	Village Financial Services Pvt. Ltd.	11305.05	5.00

Information on total number of beneficiaries including those from non regulated MFIs is not available with RBI.

#### Impact of interest rate changes on inflation

975. SHRI P. RAJEEVE: Will the Minister of FINANCE be pleased to state:

(a) whether frequent changes in the interest rates has been effective in reducing inflation in this fiscal year; and

(b) the details of changes in rate of inflation *vis-à-vis* changes in interest rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) and (b) The Monetary policy operates with long and variable lags. Since mid-March, 2010, the Reserve Bank of India (RBI) has raised the repo rate by 325 basis points. The transmission of monetary policy action taken in the past is still playing out. However, inflationary pressures have persisted due to a combination of supply and demand factors. While a series of supply shocks, particularly global commodity prices raised input costs, it spilled over to general inflation process reflecting robust demand. According to projection made by RBI, inflation is expected to moderate to 7.0 per cent by March, 2012 from 9.4 per cent at present. Monetary actions by RBI have helped in moderating aggregate demand with slowing Gross Domestic Product (GDP) growth. Credit growth also moderated from the peak of 24.2 per cent in end December, 2010 to 18.6 per cent in mid-July, 2011. In the absence of tightening, inflation perhaps would have been higher on account of demand pressures. A Statement showing the details of changes in rate of inflation *vis-a-vis* changes in interest rate is given in Statement.