

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) Monetary measures work through a complex process of long and variable lags. It has been Reserve Bank of India's (RBI) endeavour to effectively communicate to the public its anti-inflationary policy measures, likely outcomes as well as the risks and challenges in this regard. Till July 2010, RBI policy announcements were made once in a quarter. Thereafter, it was felt that in a rapidly evolving macroeconomic situation a gap of a quarter between policy reviews was too long. There were several occasions in the recent past when the Reserve Bank had to take off-cycle policy actions in response to macro economic developments. While these instances challenged the discipline of the quarterly schedule, they also underscored the need for flexibility to maneuver. Hence, Mid-quarter Reviews were formalized to communicate the RBI's assessment of economic conditions more frequently and to take the surprise element out of the off-cycle actions.

(d) and (e) There is no proposal with Government, at present, to review the functioning of RBI.

Mandatory of registration of CROS for clinical trials

652. SHRI A. ELAVARASAN: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the drug regulator, the Central Drugs Standard Control Organisation (CDSCO) plans to make the registration of Clinical Research Organisation (CROs) mandatory for clinical trials and introduce new provisions in the Drugs and Cosmetics Act relating to the inspection of trials;

(b) if so, the details thereof;

(c) whether the clinical trials of drugs on humans is set to become more stringent now as Government has decided to make the process safer and more transparent; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI DINESH TRIVEDI): (a) to (d) A Notification G.S.R. 40 (E) dated 19.1.2011 has been published by the Government notifying the draft rules, which provide for registration of Clinical Research Organization (CROs). The guidelines and requirement for conducting clinical trials are already

specified in Schedule Y of the Drugs and Cosmetics Rules, 1945. Schedule Y mandates that clinical trials are required to be conducted as per Good Clinical Practice (GCP) guidelines issued by Central Drugs Standard Control Organisation (CDSCO). To insure transparency and accessibility in conduct of clinical trials, the applicants are required to register all the clinical trials for which permissions have been granted by office of Drugs Controller General (India) on or after 15th June, 2009 in the Indian Council of Medical Research (ICMR) clinical trial registry at www.ctri.in before initiation of the trial. The Drugs and Cosmetics (Amendment) Bill, 2007 also contains provisions for regulating clinical trials in the country.

Charging of interest by MFIs

653. MS. MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

- (a) whether Micro Finance Institutions (MFIs) charge more than 40 per cent interest to SHGs on loan and also demand collateral property guarantee and weekly payments, which lead to suicide of SHG members in various parts of the country;
- (b) the names of micro finance companies who are charging such exorbitant rate of interest, State-wise with their addresses;
- (c) whether money lenders have turned to micro finance companies; and
- (d) if so, the measures being taken to stop such heinous crime?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) While Reserve Bank of India (RBI) does not regulate the interest rates charged by Micro Finance Institutions (MFIs), it has issued Instructions on a Fair Practice Code to be adhered to by all Non-Banking Financial Companies (NBFCs) in terms of which the NBFCs should not charge exorbitant rates of interest and resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Boards of NBFCs were also advised to lay out appropriate principles and procedures and determine interest rates, processing and other charges.

Further, the Government of India had in September, 2010 written to all Chief Executive of Public Sector Banks advising them to ensure that the rates of interest charged by the MFIs to the eventual beneficiaries are reasonable. The Banks were also advised to ensure that MFIs do not resort to ever greening of the loans.