

to elimination of dual control over Public Sector Banks (PSBs), upgradation of the quality of Board deliberation, setting-up of a Bank Investment Company (BIC) and reducing Government's stake in PSBs to less than 51%, uniform licence regime across all broad based banks, selection of top management of bank by Banks Board Bureau and subsequently by BIC and then Banks' Board.

(c) and (d) Major Bank Trade Unions have protested against the implementation of the recommendations of the Committee including dilution of Government ownership. There is no proposal with the Government to dilute its ownership in PSBs below 50%.

Flaws in Caveat Emptor Doctrine for financial products

181. DR. CHANDAN MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Caveat Emptor Doctrine for sale of financial products and services has certain fundamental flaws in the customer protection architecture and has created large welfare losses for customers;

(b) if so, the details thereof along with the reasons therefor; and

(c) the steps taken by Government to discourage lenders from mis-selling financial products and services and to hold them accountable for all products they are offering by converting the caveat emptor principle by caveat venditor doctrine?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) The sale purchase of financial products and services are governed by the regulatory framework administered by financial sector regulators *viz.* Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA) and Pension Fund Regulatory and Development Authority (PFRDA). On account of the growing complexity of financial markets, information asymmetries, market externalities and differences in bargaining power between the financial service providers and the consumers, protection standards for financial consumers are constantly being improved. The financial sector regulators are committed to the principle of open disclosures by the seller, ensuring well informed decisions by the consumers.

Proposal for revival of Land Development Bank in Maharashtra

†182. SHRI RAMDAS ATHAWALE : Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government has received any request from the State Government of Maharashtra regarding relaxation of certain norms for revival of Land Development Bank along term cooperative credit structure in Maharashtra;

†Original notice of the question was received in Hindi.