

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:749  
ANSWERED ON:12.11.2010  
DEMAT ACCOUNTS  
Bheiravdanji Shri Gadhvi Mukeshkumar

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has any proposal to bring the Co-operative Banks in the Demat Account Network; and
- (b) if so, the details thereof alongwith the time by which such proposal is likely to be implemented?

**Answer**

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

(a) Demat Account Network mainly consists of the Depository, Depository Participants (agents of a depository, registered with SEBI, providing services to the demat account holders) and Beneficial Owners or investors. All state and central cooperative banks have been advised by the Reserve Bank of India to hold their investments in government securities and their non-Statutory Liquidity Ratio (SLR) investments in dematerialised form Co-operative Banks are also allowed to operate under the Demat network as a Depositor` Participant and /or as an investor / beneficial owner. A Co-operative bank can open a demat account in its own name if it wishes to hold and transfer securities belonging to them in dematerialized form.

(b) does not arise in view of reply to (a) above.