



## Current Account

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- Current bank accounts are operated to run a business.
- It is a non-interest bearing bank account.
- It needs a higher minimum balance to be maintained as compared to the savings account.
- Penalty is charged if minimum balance is not maintained in the current account.
- It charges interest on the short-term funds borrowed from the bank.
- It is of a continuing nature as there is no fixed period to hold a current account.
- It does not promote saving habits with its account holders.
- Banker requires KYC (Know your Customers) norms to be completed before opening a current account.
- The main objective of current bank account is to enable the businessmen to conduct their business transactions smoothly.

- There is no restriction on the number and amount of deposits.
- There is also no restriction on the number and amount of withdrawals made, as long as the current account holder has funds in his bank account.
- Generally, bank does not pay any interest on current account. Nowadays, some banks do pay interest on current accounts.

- Current account is mainly opened for businessmen such as proprietors, partnership firms, public and private companies, trust, association of persons, etc. that has a large number of daily banking transactions, i.e. receipts and/or payments.
- It enables businessmen to carry out their business transactions properly and promptly.
- The businessmen can withdraw from their current accounts without any limit, subject to banking cash transaction tax, if any levied by the government.
- Home branch is that location where one opens his bank account. There are no restrictions on deposits made in the current account opened in a home branch of a bank. However, the current account holder can deposit the cash from any other branch of a bank other than the home branch by paying a nominal charge as applicable.
- It helps businessmen to make a direct payment to their creditors by issuing cheques, demand-drafts or pay-orders, etc.
- It enables a bank to collect money on behalf of its customers and credits the same in their customers' current accounts.
- It enables the current account holder to obtain overdraft (short-term borrowing) facility.
- The creditors of the account holder can get credit-worthiness information of the account holder through inter-bank connection.
- It facilitates the industrial progress of the country. Without its help, businessmen would face difficulties in running their businesses.
- It has the facilities of Internet-banking and mobile-banking to carry out important business transactions with ease and quickly.
- It also provides various other advantages (benefits) such as:
  - Deposit and withdrawal of money (cash) at any location.
  - Multi-location funds transfer,
  - Electronic funds transfer,
  - Periodical (monthly, quarterly or yearly) e-mail or download of bank statements in various formats like '.XLS', '.TXT', '.PDF', etc.
  - Support from customer care executives

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