

Types of Bank Accounts: Explained in Details

This topic is important for bank exams, as generally many questions are asked in bank exams and interview on bank accounts like what are different types of accounts in the bank, what is the difference between a current account and saving the account. So understanding this topic is very important.

Various Types of Bank Accounts

1. Saving Account
2. Regular Savings
3. Current Account
4. Recurring Deposit Account
5. Fixed Deposit Account
6. DEMAT Account
7. NRI Accounts

1) SAVINGS ACCOUNT:-

a) Basic Savings Bank Deposit Accounts (BSBDA)

- This account will be considered as a normal banking service.
- For this account, maintenance of minimum balance is not required.
- ATM card/ ATM cum Debit card, Rupay card will be given for the account holders.
- There are going to be no limit on the number of deposits that can be made in a month but, account holders will be allowed most of 4 withdrawals in a month, which includes ATM withdrawals also.
- The above facilities will be given without any charge. There will be no charge levied for non-operation/ activation of in-operative basic saving bank deposit account.
- For this account, the overdraft facility will be provided up to Rs. 5000/-.

b) Basic Saving bank Deposit Accounts Small scheme (BSBDS)

- These are accounts with relaxed KYC, with a minimum document requirement of self-attested address proof & photograph.
- Total credit should not exceed 1Lakh rupees in a year.
- Maximum balance should not exceed Rs. 50,000/- at any time.

- Cash withdrawals & transfers must not exceed Rs.10, 000/- in a month.
- Remittance from the foreign account cannot be credited to this account without completing normal KYC formalities.
- This account can be opened only at Core Banking Solution linked branches of banks or at such branches, where it is possible to manually monitor the fulfilment of the conditions.

2) REGULAR SAVINGS BANK ACCOUNT

- Any resident individual- single accounts, two or more individuals in joint accounts, Associations, clubs etc., are eligible for this account.
- Modest credit option available to the depositor.
- Two free cheque books will be issued per year.
- Internet banking facility will be provided without any charge.
- Balance enquiry, NEFT, Bill payment, Mobile recharge etc., are provided through mobile phones.
- Students can open this account with zero balance by providing the required documents.

3) CURRENT ACCOUNT

- Any resident individual- single accounts, two or more individuals in joint accounts, Associations, Limited companies, Religious Institutions, Educational Institutions, Charitable Institutions, clubs etc., are eligible for this account.
- Payments can be done an unlimited number of times.
- Funds can be remitted from any part of the country to the corresponding account.
- Overdraft facility will be available.
- Internet banking facility is available.

4) RECURRING DEPOSIT ACCOUNT

CUMULATIVE DEPOSIT SCHEME

- Any resident individual- single accounts, two or more individuals in joint accounts, Associations, clubs, Institutions/Agencies specifically permitted by the RBI etc., are eligible to open this account in single/joint names.
- Periodic/Monthly instalments can be for any amount starting from as low as Rs.50/- onwards.
- An account can be opened for any period ranging from 6 months to 120 months, in multiple of 1 month.
- The amount selected for installment at the start of the scheme will be payable every month.
- The number of instalments once fixed, cannot be altered.

- Approved rate of interest is compounded every quarter.
- The amount after maturity will be paid to customers one month after the deposit of the last installment.
- Passbook will be given to the depositor.
- TDS will be applicable on the interest, as per the latest changes in the Income Tax Act on cumulative deposits also.

5) FIXED DEPOSIT ACCOUNT

a) SHORT DEPOSIT RECEIPT

- Banks accept deposits from customers varying from 7 days to a maximum of 10 years.
- The period of 7 days & above but not exceeding 179 days deposits is classified as 'Short Deposits'.
- The minimum amount that can be deposited under this scheme is Rs. 5 lakh for a period of 7-14 days.

b) FIXED DEPOSIT RECEIPT

- Any resident individual- single accounts, two or more individuals in joint accounts, Associations, Minors, societies, clubs etc., are eligible for this account.
- The minimum FDR in metro & Urban branches is Rs. 10,000/- & in rural & semi urban & for Senior citizens is Rs.5000/- .
- For the subsidy kept under the government-sponsored schemes, Margin money, earnest money & court attached/ordered deposits, minimum amount criteria will not be applicable.
- Depositors may ask for repayment of their deposits before maturity. Repayment of the amount before maturity is allowable.
- The interest rate differs from bank to bank depending upon the tenure of the deposits & as when the bank changes the rate.
- Additional interest of 0.50% is offered for senior citizens on deposits placed for a year & above.

6) DEMAT ACCOUNT

- Used to conduct stress-free transactions on the shares.
- An individual, Non-Resident Indian, Foreign Institutional Investor, Foreign National, Corporate, Trusts, Clearing Houses, Financial Institution, Clearing Member, Mutual Funds, Banks and Other Depository Account.
- For opening this account, an individual has to fill a form, submit a photo of the applicant along with a photocopy of Voter ID/ Passport/ Aadhar card/ Driving License & Demat account number will be provided to the applicant immediately after the completion of processing of the application.

- o Facilities provided under this account are- Opening & maintaining of Demat accounts, Dematerialization, Rematerialization, Purchases, sales, Pledging & Unpledging, safe custody.

7) NRI ACCOUNTS:-

- a) **NRO** (Non-Resident Ordinary Rupees) Account
- b) **NRE** (Non-Resident External Rupees) Account
- c) **FCNR** (Foreign Currency Non-Resident) Account

Specifics	FCNR	NRE	NRO
Account opening	NRIs/PIOs/OCIs(Individuals/entities of Bangladesh/Pakistan require prior approval of RBI	NRIs/PIOs/OCIs(Individuals/entities of Bangladesh/Pakistan require prior approval of RBI	Any Individual resident outside India
Joint Account	In the names of two or more non-resident individuals. With a local close relative on 'former or survivor basis'	In the names of two or more non-resident individuals. With a local close relative on 'former or survivor basis'	In the names of two or more non-resident individuals. With a local close relative on 'former or survivor basis'
Money in which account is denominated	US dollar, pound sterling, Yen, Euro, Australian dollar & Canadian dollar	Indian Rupees	Indian Rupees
Nomination	Allowable	Allowable	Allowable
Account Type	Term Deposit only	Savings, Current, Fixed, Recurring deposit	Savings, Current, Fixed, Recurring deposit

Interest Rate	Banks are allowed to determine interest rates for Deposits	Banks are allowed to determine interest rates for Deposits	Banks are allowed to determine interest rates for Deposits
Fixed deposits-period	not less than 1 year and not more than 5 years	Min- 1year Max- 10years	As applicable to resident accounts
Income Tax	Not Taxable	Not Taxable	TDS on Interest received on NRO deposits to be deducted at 30.90%
Repatriability	Repatriable	Repatriable	Not Repatriable
Loans in India 1)To account holder 2)To third parties	Without any financial ceiling on the loan amount subject to standard margin requirements	Without any financial ceiling on the loan amount subject to standard margin requirements	1)Permitted 2)Permitted
Loans in Abroad 1)To account holder 2)To third parties	1) Without any financial ceiling on the loan amount subject to standard margin requirements 2)Not Permitted	Without any financial ceiling on the loan amount subject to standard margin requirements	1)Not permitted 2)Not permitted
<u>Foreign Currency loans India</u> 1)To Account holder 2)To third parties	1) Permitted 2) Not permitted	1) Not permitted 2) Not permitted	1) Not permitted 2) Not permitted