



सत्यमेव जयते

*REPORT
OF THE
STUDY GROUP
ON
BANKING COSTS*

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BOMBAY

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Rameshwar Thakur
Chairman,
Study Group on Banking
Costs

BANKING COMMISSION
(Government of India)
'White House',
Walkeshwar Road,
Bombay-6.

Date: December 2, 1971.

Dear Shri Saraiya,

The Study Group on Banking Costs which was set up by the Banking Commission in August 1969 to examine, among other things, the manner in which cost accounting techniques can be used in the banking industry and to recommend on the extent and manner in which costs can be controlled in that industry, has completed its task. We have had to extend our endeavours for a period of over two years as we undertook a detailed survey of costs of a sample of 976 branches of Indian scheduled commercial banks. This involved collection and analysis of a prodigious mass of data and this being in the nature of a pioneering study of its kind in our country, we had to dwell somewhat longer on it than we expected. We have tried to cover the terms of reference in detail and have arrived at specific findings and recommendations keeping in view the conditions obtaining in India and the developments made in advanced countries like the U.S.A., West Germany, etc.

2. The accompanying Report is an outcome of our joint effort. We have had the benefit of the expertise of the members drawn from the Banking and Accounting fields each of whom made valuable contributions leading to the formulation of our conclusions. I feel it my duty to make special mention here of the excellent help and constant guidance we have received from Shri V.G. Pendharkar, Member-Secretary of the Banking Commission. My colleagues and I are deeply appreciative of Shri. Pendharkar's valuable contributions and great co-operation in the work entrusted to us.

3. We would be amply rewarded if our Report helps the Banking Commission in shaping its recommendations for the benefits of banks enabling them to apply management accounting techniques and improve the quality of services, efficiency, productivity and profitability, keeping in view the socio-economic objectives of the nation.

Yours sincerely,

Rameshwar Thakur

Shri R. G. Saraiya,
Chairman,
Banking Commission,
(Government of India),
Bombay.

TABLE OF CONTENTS

		Page No.
CHAPTER	I .. INTRODUCTION	1
CHAPTER	II .. BRIEF SURVEY OF COST ANALYSIS STUDIES IN OTHER COUNTRIES AND IN INDIA ..	10
CHAPTER	III .. COST ANALYSIS—METHODOLOGY USED ..	22
CHAPTER	IV .. RESULT OF THE SURVEY	34
CHAPTER	V .. ANALYSIS OF PROFITABILITY OF BANK ACTI- VITIES AND OF BRANCH LEVEL PROFITABILITY	94
CHAPTER	VI .. VARIATION IN COSTS IN RELATION TO SIZE OF PHYSICAL OUTPUT	117
CHAPTER	VII .. COST STRUCTURE OF THE FOREIGN EX- CHANGE BUSINESS OF BANKS	130
CHAPTER	VIII .. COST STRUCTURE OF THE APEX AND CEN- TRAL CO-OPERATIVE BANKS	139
CHAPTER	IX .. PROFIT, PLANNING, BANK CHARGES AND INTEREST RATES	159
CHAPTER	X .. MANAGEMENT ACCOUNTING FOR THE IN- DIAN BANKING SYSTEM	175
CHAPTER	XI .. EXTENT AND THE MANNER OF USING COST CONTROL TECHNIQUES IN BANKING ..	199
CHAPTER	XII .. SUMMARY OF FINDINGS AND RECOMMENDA- TIONS	210
ANNEXURE—A	.. EXTRACTS FROM BANKING COMMISSION'S COMMUNICATION DATED SEPTEMBER 17, 1969	242
ANNEXURE—B	.. PROFORMAE OF RETURNS CALLED FOR BY THE GROUP	244
ANNEXURE—C	.. TECHNICAL NOTE	285
ANNEXURE—D	.. SYSTEM OF CHARGES	298
ANNEXURE—E	.. COST ACCOUNTING FOR BANKS IN FEDERAL REPUBLIC OF GERMANY	303
ANNEXURE—F	.. ACKNOWLEDGEMENTS	321