CONCLUSION

Commercial banks have a significant role to play in the economic development of the country. This is done by developing the priority sectors of the economy, which are indispensable for the development of the gross domestic product of the country by means of provision of finance to such sectors. However, the role of commercial banks does not end with provision of finance that is required by the sector, which is having meagre means. The money lent should be recovered in order to recycle the funds. Effective recovery management of commercial banks is very much essential for its survival. Many of the American banks have failed mainly due to poor recovery management. If the banks have to be successful in the long run, they have to evolve an effective credit system. Despite many constraints, a realistic pre-sanction appraisal, viability of the scheme and credibility of the borrower are all essential ingredients for successful credit management. Nevertheless, there is no substitute for personal rapport for ensuring good recovery. Field staff, who are willing to work as a link between the bank and the borrowers is
imperative for credit management. Administratively, it may add to the operating cost but it is worth paying this price to maintain the health of financial assets of the bank. To conclude, as far as the recovery performance of individual banks is concerned, the public sector banks have performed better than that of the private sector banks in spite of its social obligation. As regards the repayment performances is concerned, the borrowers of private sector banks have performed better than that of the borrowers of the public sector banks.