

Indian bankers wish to set up a mechanism for faster resolution of stressed accounts, [Finance Minister Piyush Goyal](#) said on Friday, emphasising the government was committed to giving full support to all 21 public sector banks.

A panel under Punjab [National](#) Bank chief Sunil Mehta will give recommendations in two weeks on the formation of asset reconstruction companies/asset management companies (ARCs/AMCs) to resolve the problem, he said in Mumbai after discussions with public sector bank heads.

Most stressed assets could fit into the ARC or AMC structure, he said, according to news agency PTI.

In the next 30 days, executive positions in public sector banks will be filled up, Goyal said at a press conference that came against the backdrop of several lenders reporting a jump in net losses earlier this month.

Goyal said there was a proposal that banks may consider having committees comprising retired judges, vigilance officials, regulators to bring in external expertise that will help faster decision-making, ANI reported.

The [Indian banking sector](#) is reeling due to the problem of bad loans, which are putting an extra burden on the world's sixth largest economy. Non-performing assets touched Rs 8.31 trillion at the end of December 2017.

Banks reported a further rise in bad loans in the March quarter after the Reserve Bank of India withdrew half a dozen loan-restructuring schemes and tightened some rules in February.

Risks need to be mitigated to support the economy, Goyal said, adding suggestions about strengthening the governance process and the honest recognition of NPAs or bad loans were discussed in Friday's meeting.

He assured that processes will be streamlined and customer interest protected.

Goyal said his discussions with the bankers also focused on a mechanism to ensure credit flow to good borrowers.