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President Murmu Approves Merger of REC with Power Finance Corporation

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The Government of India has taken a major step towards consolidating the power financing sector. President Droupadi Murmu has approved the merger of REC Limited with Power Finance Corporation.

What is REC?

REC (Rural Electrification Corporation) is a government-owned company that provides loans and financial support for power and infrastructure projects.

It mainly finances electricity generation, transmission, distribution, and rural electrification projects.

Why is the Merger Being Done?

To create a stronger and larger power-sector financing institution.

To improve operational efficiency and reduce duplication of work.

To enhance the ability to fund large-scale energy and infrastructure projects.

To support India's growing power and renewable energy needs.

What Will Change?

REC will be merged into Power Finance Corporation (PFC).

The combined entity will have a larger asset base and greater financial strength.

It is expected to become one of the world's largest infrastructure financing institutions focused on the power sector.

Why is it Important?

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The merger aligns with the government's strategy of consolidating public sector enterprises to create stronger and more competitive institutions. It is expected to improve financing support for India's energy transition, power infrastructure expansion, and renewable energy projects.

REC Ltd.

Formerly: Rural Electrification Corporation Limited

Founded: 25 July 1969

CMD: Jitendra Srivastava

PFC

Founded: July 1986

Headquarters: New Delhi, India

Chairman & MD: Parminder Chopra