

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 5751

ANSWERED ON MONDAY, 30 MARCH, 2026/CHAITRA 09, 1948 (SAKA)

Restructuring of PFC and REC

5751. SHRI EATALA RAJENDER:

Will the Minister of FINANCE be pleased to state:-

- (a) whether the vision for Non Banking Financial Companies (NBFCs) for Viksit Bharat has been outlined with clear targets for credit disbursement and technology adoption and if so, the details thereof;
- (b) whether the Government has proposed to restructure the Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) as a first step in order to achieve scale and improve efficiency in the Public Sector NBFCs; and
- (c) if so, the details thereof along with the progress achieved in this regard?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): During the NBFC Symposium organised by the Department of Financial Services, Ministry of Finance on 9.7.2025, the vision for NBFCs for Viksit Bharat was laid out as under:

- (i) NBFCs' share to rise from 24% of credit disbursed by the Scheduled Commercial Banks presently to at least 50% by 2047, to effectively serve the credit-unserved and underserved segments of society.
- (ii) 100% technology adoption throughout the loan lifecycle.
- (iii) Channeling 50% of credit towards high-growth sectors such as green initiatives, affordable housing, and MSMEs by 2047.

(b) and (c): Ministry of Power has apprised that on 1.2.2026, in the Union Budget 2026-27, the proposal to restructure PFC and REC Limited was announced with the objective of achieving scale and improving efficiency among the Public Sector NBFCs.

Pursuant to the above announcement, the Boards of PFC and REC Limited, accorded in-principle approval for restructuring in the form of a merger of PFC and REC Limited on 6.2.2026, while ensuring that the merged entity continues to remain as a "Government Company" under the Companies Act, 2013 and other applicable laws.
