



Cyril Amarchand Mangaldas acted as the transaction counsels for merger by absorption of REC Limited into Power Finance Corporation Limited

June 29, 2026, Mumbai: Cyril Amarchand Mangaldas acted as the transaction counsels for merger by absorption of REC Limited ("REC") into Power Finance Corporation Limited ("PFC", collectively with "REC" shall be hereinafter referred as "**Companies**") and the consequent dissolution of REC without being wound up and on a going concern basis ("**Proposed Merger**") and advised both PFC and REC. Pursuant to the scheme and valuation reports, the share exchange ratio for Proposed Merger shall be 88 equity shares of PFC of INR 10 each fully paid up for every 100 equity shares of REC of INR 10 each fully paid up.

The scheme is conditional upon and subject to, *inter alia*: (i) receipt of all requisite approvals and consents required under applicable law including, approvals from the respective shareholders and creditors of both the companies, and all relevant regulatory and governmental authorities, including Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs and the Cabinet Committee on Economic Affairs (CCEA) (as applicable); and (ii) PFC (as the merged entity) continuing to qualify as a 'Government Company' under the Companies Act, 2013 and the Government of India continuing to retain majority voting rights and control in PFC (directly or indirectly).

Merger of REC into PFC is particularly significant as it constitutes the merger of two of "Maharatna" Central Public Sector Enterprises and India's largest public sector NBFCs, both being the primary financiers of India's power sector, and both the Companies also forming part of NIFTY 100 and BSE 100 index. The Proposed Merger shall create a financing entity with an aggregate loan book of over INR 11 lakh crore, and the combined entity is valued at approx. INR 2.42 lakh crores. The deal involved extensive discussions with the Ministries and other governmental authorities for finalisation of the scheme and overall structuring of the Proposed Merger.

The deal team was led by **Amey Pathak**, *Partner (Head - Banking)*; **Dhruv Singhal**, *Partner*; with assistance from **Deval Dangayach**, **Hina Tolani**, *Senior Associates*; **Divisha Sharma**, **Shivi Chola** and **Rituraj Parmar**, *Associates*.

Pururaj Bhar, *Partner*; with assistance from **Apoorv Jain**, *Principal Associate*; **Utkarshini Anand**, *Associate*; advised on banking and finance aspects.

Shikha Tandon, *Partner*; with assistance from **Zaid Drabu**, *Principal Associate*; advised on disputes aspects of the transaction.

Gazal Rawal, *Partner*; with support from **Mrs. Lily Vadera** and **Mr. S. Ganesh Kumar**, *Senior Regulatory Advisors*; **Havish Gotecha**, *Senior Associate*; and **Aniket Panchal**, *Associate*; advised on the RBI related regulatory aspects of the transaction.