

SEC-1/187(2)/2026/

Dated: June 28, 2026

लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	कॉर्पोरेट संबंध विभाग बीएसई लिमिटेड पहली मंजिल, फीरोज जीजीभोय टावर्स दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड—RECLTD	स्क्रिप कोड—532955
Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	Corporate Relationship Department BSE Limited 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.
Scrip Code—RECLTD	Scrip Code—532955

Sub: Outcome of Board Meeting held on June 28, 2026.

महोदय / महोदया,

As per the today's Board Meeting of REC Limited, the following is submitted:

- 1) In continuation to our letter dated June 23, 2026 and pursuant to Regulation 30 and Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable circulars, rules and/or regulations of Securities Exchange Board of India ("SEBI"), this is to inform that the Board of Directors of the Company ("Board") at its meeting held on June 28, 2026, after considering the recommendations of the Audit Committee and the Independent Directors Committee, has *inter-alia* considered and approved the scheme of Merger by absorption amongst Power Finance Corporation Limited ("PFC"/"Transferee Company") and REC Limited ("REC"/"Transferor Company" or "the Company") and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder ("Companies Act"), Section 2(6) and other applicable provisions of the Income Tax Act, 2025, the relevant provisions of the Listing Regulations and other applicable laws, regulations and guidelines ("Scheme").

The Scheme, *inter-alia*, provides for the merger by absorption of REC into PFC with effect from the Appointed Date (as defined under the Scheme) on a going concern basis and the consequent: (I) dissolution of REC without being wound up; and (II) issuance of Consideration Shares (as defined under the Scheme) to the Eligible Shareholders (as defined under the Scheme) of REC, as on the Record Date (as defined under the Scheme), in accordance with the share exchange ratio, i.e., 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 and various other matters

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Regional Offices: Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata
Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vijaywada

State Offices : Vadodara, Varanasi

Training Centre : REC Institute of Power Management & Training (RECIPMT), Hyderabad

consequential or otherwise integrally connected therewith in the manner set out in the Scheme.

The Scheme shall be subject to the necessary regulatory and other approvals, as may be required. Further, the Scheme shall be filed with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("NSE" and "BSE" shall be collectively referred as "**Stock Exchanges**") for obtaining their 'No Objection Letter' in terms of the provisions of Regulation 37 and 59A of the Listing Regulations.

The copy of Scheme as approved by the Board of the Company would be available on the website of the Company at <https://recindia.nic.in/> post submitting the same with the Stock Exchanges. The other requisite details as required under the Listing Regulations are enclosed in **Annexure-1**.

- 2) **Raising of Funds:** Proposal of raising of funds through Private Placement of Unsecured / Secured Non-Convertible Bonds / Debentures of upto ₹1,40,000 crore, subject to the approval of shareholders in the ensuing Annual General Meeting. The funds will be raised, in one or more tranches, during a period of one year from the date of passing of resolution by the shareholders, with the approval of Competent Authority.

The Board meeting commenced at 05:25 PM and concluded at 7.40 pm

यह आपकी जानकारी के लिए है।

Thanking you,

Yours faithfully,
For REC Limited



(Dinesh Garg) 28/06/26

Company Secretary &
Compliance Officer

Encl.: As above.

Sr. No.	Particulars	Details																		
1.	Name of entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.	<p>(i) <i>Transferor Company</i>: REC Limited (“REC” / “the Company”):</p> <p style="text-align: right;">In ₹ crore</p> <table border="1" data-bbox="703 359 1398 499"> <thead> <tr> <th>Particulars</th> <th>Net worth for FY 2025-26</th> <th>Turnover for FY 2025-26</th> </tr> </thead> <tbody> <tr> <td>Standalone</td> <td>84,290</td> <td>59,140</td> </tr> <tr> <td>Consolidated</td> <td>85,054</td> <td>59,584</td> </tr> </tbody> </table> <p>(ii) <i>Transferee Company</i>: Power Finance Corporation Limited (“PFC”):</p> <p style="text-align: right;">In ₹ crore</p> <table border="1" data-bbox="703 642 1398 783"> <thead> <tr> <th>Particulars</th> <th>Net worth for FY 2025-26</th> <th>Turnover for FY 2025-26</th> </tr> </thead> <tbody> <tr> <td>Standalone</td> <td>1,02,532</td> <td>58,504</td> </tr> <tr> <td>Consolidated</td> <td>1,73,441</td> <td>1,15,444</td> </tr> </tbody> </table>	Particulars	Net worth for FY 2025-26	Turnover for FY 2025-26	Standalone	84,290	59,140	Consolidated	85,054	59,584	Particulars	Net worth for FY 2025-26	Turnover for FY 2025-26	Standalone	1,02,532	58,504	Consolidated	1,73,441	1,15,444
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2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at arms’ length	<p>REC and PFC are both public sector companies, and PFC holds 52.63% of the share capital of REC (on a fully diluted basis).</p> <p>As per Regulation 23(5)(a) of Listing Regulations, the provisions of sub-regulations (2), (3) and (4) of Regulation 23 of Listing Regulations shall not be applicable on transaction between public sector companies. Therefore, no approval under Regulation 23 of Listing Regulations is required for the proposed Scheme and Merger.</p> <p>Further, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs, transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013. Therefore, the proposed merger shall not attract the requirements of Section 188 of the Companies Act, 2013.</p> <p>The share exchange ratio for the proposed merger has been determined based on the joint valuation report dated June 28, 2026, issued by independent valuers, <i>i.e.</i>, M/s. Ernst & Young Merchant Banking Services LLP and M/s. RBSA Valuation Advisors LLP, supported by the fairness opinion dated June 28, 2026 submitted by independent SEBI registered merchant bankers, <i>i.e.</i> Nuvama Wealth Management Limited.</p>																		
3.	Area of business of the entity(ies)	REC Limited, a Schedule-A Maharatna Central Public Sector Enterprise, under the administrative control of the Ministry of Power, Government of India, is a leading																		

		<p>infrastructure financing Non-Banking Financial Company (NBFC), engaged in providing financial assistance across the power sector value chain—including generation, transmission, and distribution—as well as emerging areas such as renewable energy and sustainable infrastructure. REC also finances to the Non-Power Infrastructure sector such as Roads & Highways, Railways, Airports, Ports etc. It also serves as nodal agency for government programs such as Revamped Distribution Sector Scheme and National Program Implementation Agency for PM Surya Ghar Muft Bijli Yojana</p> <p>Power Finance Corporation Limited (PFC), a Schedule-A Maharatna CPSE under the Ministry of Power, is India’s largest government-owned NBFC. Since its inception in 1986, Company has been a key enabler of the country’s power sector growth, offering a range of financing solutions tailored to generation, transmission, and distribution needs - —as well as emerging areas such as renewable energy and sustainable infrastructure. PFC also finances to the Non-Power Infrastructure sector such as Roads & Highways, Railways, Airports, Ports etc.. It also serves as the nodal agency for key government programmes such as the Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), and the Integrated Power Development Scheme (IPDS). The Company also acts as the Bid Process Coordinator for Independent Transmission Projects (ITPs), further reinforcing its role in sectoral reform. PFC remains at forefront of financing India’s evolving power and infrastructure landscape, supporting both established and emerging technologies.</p>
4.	<p>Rationale for amalgamation/merger</p>	<p>The merger of REC into PFC will have multiple benefits including:</p> <ol style="list-style-type: none"> a) The merged entity would emerge as the Government’s principal institution for implementing power sector reforms and flagship programmes, serving as the primary vehicle for translating national policy objectives into measurable sectoral outcomes. By leveraging its enhanced scale, financial strength, and institutional capabilities, the merged entity would maximise the effectiveness, reach, and impact of Government initiatives, thereby accelerating the development and transformation of the power sector. b) As India moves towards the ambitious goal of Viksit Bharat 2047, the power sector will require substantial capital investment. On a consolidated

		<p>basis, the merged entity is expected to benefit from improved balance sheet strength, stronger capital base, and higher operational efficiencies, enabling large-scale funding and improved credit flow across the power sector value chain.</p> <p>c) The merged entity would serve as a key financier of India's energy transition and strategic infrastructure buildout, supporting generation, transmission, distribution, renewable energy, and next-generation technologies such as green hydrogen, energy storage, small modular nuclear reactors, and grid modernization. Combining greater scale, technical expertise, and sector knowledge, it would be better equipped to deploy capital and capture opportunities arising from these emerging growth areas.</p> <p>d) With enhanced scale, diversified exposure, and deeper sector expertise, the merged entity would strengthen market confidence by improving project bankability, enabling more effective risk sharing, accessing longer-tenor capital, and structuring complex infrastructure financings with greater resilience and stability.</p> <p>e) The merger will strengthen the balance sheet, improve borrowing capacity and financial flexibility. By combining credit lines, improving credit metrics, and expanding capital access channels, the merged entity can support more competitive pricing for customers, easing funding constraints for critical infrastructure and enabling a greater credit flow across the power sector and the broader economy.</p> <p>f) The merged entity would become the primary vehicle for implementing a majority of government schemes for the power sector and would maximize sector benefits through these programs.</p>
5.	In case of cash consideration – amount or otherwise share exchange ratio	<p>There is no cash consideration as per the Scheme.</p> <p>Share exchange ratio : The Share Exchange Ratio for the Proposed Merger of REC into PFC 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.</p>
6.	Brief details of change in shareholding pattern (if any) of the listed entity	<p>Upon the Scheme becoming effective, PFC will issue equity shares (in the share exchange ratio as mentioned above) to the shareholders of REC as on the Record Date (as defined under the Scheme). The equity shares of REC will be cancelled as per the Scheme.</p>
