

## ANNEXURE-III TO DIRECTORS' REPORT

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
Rural Electrification Corporation Limited,  
New Delhi.

We have examined the compliance of conditions of Corporate Governance by Rural Electrification Corporation Limited ("The Company") for the financial year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchanges and Clause 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSE. However, during the financial year 2013-14, in absence of requisite number of Independent Directors, the composition of the Board of Directors was not as per the provisions of sub-clause (I) (A) of Clause 49 of the Listing Agreement and Clause 3.1.4 of DPE Guidelines on Corporate Governance for CPSE issued by DPE.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Raj Har Gopal & Co.**

Chartered Accountants  
Firm Regn. No.002074N

**(Gopal Krishan)**

Partner  
M. No. 081085

Place: New Delhi

Date: May 26, 2014.

**For P. K. Chopra & Co.**

Chartered Accountants  
Firm Regn No. 006747N

**(K.S. Ponnuswami)**

Partner  
M. No. 070276