

## ANNEXURE-III TO BOARD'S REPORT

**AUDITORS' 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, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed by the Company with the Stock Exchanges and Guidelines on Corporate Governance for CPSEs, 2010 issued by DPE. During the financial year 2015-16, consequent upon appointment of Independent Directors on the Board of the Company, the composition of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company are in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs, 2010 with effect from December 22, 2015. However, in the absence of one Woman Independent Director on the Board of the Company, the composition of the Board of Directors thereof as on March 31, 2016 is not as per the requirement of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and Guidelines on Corporate Governance for CPSEs, 2010 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

**For A.R. & Co.**  
Chartered Accountants  
Firm Regn. No. 002744C

**(Gopal Krishan)**  
Partner  
M. No. 081085

**(Anil Gaur)**  
Partner  
M. No. 017546

Place : New Delhi  
Date : August 11, 2016