

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The good Corporate Governance is globally accepted principle. Volga believes that it has immense value and understands that accountability, equity and total transparency in its interaction with all its stakeholders is its responsibility in conducting its business and hence is totally committed to achieving highest levels of standards in Corporate Governance Practice.

Your Company focused to ensure utmost safety in all its operations with strong commitment to adopt best practices for management of its operations. The Company is Committed to its customers for timely delivery of quality products and best treatment to all its vendors/contractors.

2. BOARD OF DIRECTORS

Composition, Attendance and Information of other Directorships/Committee Memberships.

- I. The Present Board of Directors of the Company consists of 3 directors, with Executive Chairman and two Independent Directors.
- II. The names, categories of the directors on the Board, their attendance at Board Meetings held during the year and other necessary details are as under:

ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING.

- III. During the year, Six Meetings of Board of Directors were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are 24.4.09, 5.6.09, 22.7.09, 24.9.09, 30.10.09 and 30.1.10.

Name of the Director	Category of Directorship	No.of Board Meetings Attended	Attendance at last AGM held on 24.09.2009
Mr.M.S.Bhalavat (CMD)	Promoter-Executive-Non-Independent	6	Yes
Mr.D.C.Desai	Non-Executive-Independent	2	No
Mr.A.J.Shah	Non-Executive-Independent	6	Yes
Mrs.S.R.Shah	Non-Executive-Independent	4	Yes

None of the Directors holds Directorship in any other Public Limited Company excluding Private Limited Companies, Foreign Companies and Companies u/s 25 of the Companies Act, 1956.

None of the Directors is member of Board or Board Level Committees of Public Limited Companies.

- IV. None of the non - executive independent directors have any material pecuniary relationship or transactions with the Company.
- V. Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board from time to time for their consideration.

- VI. Mr. A.J. Shah retires by rotation from the Board, in terms of Article 154 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
- VII. Mr. D.C. Desai ceased to be a director effective 25th Feb.2010.

3. AUDIT COMMITTEE

Broad Terms of Reference

The Audit Committee of the Company, inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The Terms of Reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (ii) of the Listing Agreement and as specified by the Board of Directors of the Company and inter-alia includes;

- reviewing the Company's financial reporting process and the disclosure of its financial information.
- recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- reviewing the quarterly and annual financial statements with primary focus on Accounting policies and practice, compliance with accounting standards and legal requirements concerning financial statements.
- reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- reviewing the reports by the statutory auditors and ensure suitable follow -up thereon.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31st March, 2010.

COMPOSITION

- I. The Audit Committee comprised of three Non - Executive Independent Directors. The Members of the Audit Committee were Mr. A.J. Shah, Mr. D. C. Desai and Mrs. S.R. Shah. However, Mr. D.C. Desai resigned effective 25th Feb.2010
- II. The Composition of the Audit Committee and particulars of Meetings attended by the members of the Audit Committee are given below.

Name of the Director	Category	No. of Meetings	
		held	attended
Mr. A. J. Shah - Chairman	Independent	5	5
Mr. D. C. Desai - Member	Independent	5	2
Mrs. S. R. Shah - Member	Independent	5	5

: 3 :

III. Five Meetings of Audit Committee were held during the year. The dates of Audit Committee Meetings were 22.4.09, 3.6.09, 20.7.09, 28.10.09 and 28.1.10.

IV. The Chairman of the Committee was present at the Annual General Meeting of the Company held on 24.09.2009 to attend the shareholders' queries.

4. REMUNERATION COMMITTEE

- I. The Remuneration Committee comprised of three Non-Executive Independent Directors. The Members of the Remuneration Committee were Mr. A.J. Shah, Mr. D.C. Desai and Mrs. S.R. Shah till 25.2.2010, when Mr. D.C. Desai ceased to be a Director of the Company.
- II. Remuneration Committee considers the terms and conditions governing the appointment/remuneration of Executive Directors as well as Senior Management Cadre. The same are subsequently submitted for approval of the Board, Shareholders and Central Government, if necessary.
- III. The Company paid sitting fees at the rate of Rs.250/- per Board Meeting upto 31.12.2009, to all its independent Non- Executive Directors. At the Board Meeting held 30th Jan. 2010, it was unanimously decided by the Directors to forgo sitting fees even for Board Meeting. No fees are paid for Committee Meetings attended by the Directors.

The sitting fees paid to the Directors during the year ended 31st March, 2010 is given hereunder.

IV. Remuneration to Directors paid during the Financial Year 2009-2010.

Name of the Director	Salary and other Benefits (Rs.)	Sitting Fees (Rs.)	Service Contract/Notice period
Mr.M.S.Bhalavat	5,36,316.00	-	Contractual *
Mr.D.C.Desai	-	250.00	Retirement by Rotation
Mr.A.J.Shah	-	1,250.00	Retirement by Rotation
Mrs.S.R.Shah	-	1,000.00	Retirement by Rotation

* The period of Contract of CMD: Three years from 01.06.2007 liable to be terminated by either party by a notice of three months to other. His reappointment was considered and approved by the Shareholders of the Company at the Annual General Meeting held on 30.08.2007. Central Government has granted its approval vide their letter No.12 / 265/2007-CL.VII dated 31st May, 2007.

- V. The term of appointment of M.D. Shri M.S. Bhalavat expires on 31st May, 2010. At the request of Board he has agreed to work without any remuneration. The Board, at its meeting held 30th May 2010, reappointed Mr. Bhalavat, subject to the approval of Shareholders at the ensuing General Meeting, for a further period of two years effective 1st June, 2010, without any remuneration.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

- I. The Shareholders/Investors Grievance Committee was constituted by the Board of Directors the Company at their meeting held on 28.10.2004. The Committee comprised of two Non-Executive Independent Directors viz. Mr. A.J. Shah, and Mrs. S.R. Shah and Company Secretary as Compliance Officer to look into the redressal of complaints of shareholders regarding transfer of shares or demat requests, non- receipt of Annual Report / Notice/Dividend etc. Director Mr. D.C. Shah and Company Secretary Mrs. A. N. Fadia resigned during the year effective 25th Feb. 2010 and 15th October 2009 reapy.
- II. The Committee met two times during the year i.e on 30.07.2009 and 31st March, 2010.
- III. The meeting held on 30.07.2009 was attended by all its members and the meeting held on 31.03.2010 was attended by Mr. A.J. Shah and Mrs. S.R. Shah.
- IV. Name and designation of Compliance Officer:
Name : Mrs. A.N. Fadia, FCS - 3957
Designation : Company Secretary
- Mrs. Fadia ceased to be Company Secretary with effect from 15.10.09.
- V. Details of Complaints: The Company had received 3 Investors Complaints during the financial year under review, all have been redressed and no Complaint is pending.
- VI. The Board of Directors of the Company has constituted Committees of two/three Directors to deal with the various matters relating to:
- transfer/transmission of shares;
 - issue of new and duplicate share certificates;
 - dematerialisation/rematerialisation of shares and all other related matters;
- Details of transfer/transmission/demat/remat of shares approved by the Committee of Directors are placed at the very first Board Meeting held thereafter.

COMPOSITION

Any two directors of the Company form the Committee of Directors for Transfer, Transmission, Deletion, Demat/Remat and any three Directors form Committee for matters involving issue of split/Duplicate/Replacement of Share Certificates.

VII.CODE OF CONDUCT AND BUSINESS ETHICS:

The Company has laid down Code of Conduct and business ethics for its Board Members and Senior Management. This Code of Conduct and business ethics lays down various principles and guidelines, aimed at improving and enhancing the corporate relations with its stakeholders. The said Code of Conduct has been communicated to the directors and the members of the senior management and they have confirmed compliance with the said Code of Conduct.

6. GENERAL BODY MEETINGS

1. All the General Body Meetings during the last three years were held at the Registered Office of the Company at Plot No.472 & 478, Village Changodar, Ta: Sanand, Dist.: Ahmedabad.

II. The details of 3 Annual General Meetings are as under:

Financial Year	No.of A.G.M	Date of Meeting	Time
2006 - 2007	Fourteenth	30th August,2007	11.00 a.m.
2007 - 2008	Fifteenth	20th August,2008	11.00 a.m.
2008 - 2009	Sixteenth	24 th September,2009	11.00 a.m.

III. The shareholders passed all the Special Resolutions set out in the respective notices. No Resolution has been put through Postal Ballot.

7. DISCLOSURES

- a. None of the Directors except Executive Director had any pecuniary transaction or relationship with the Company.
- b. There were no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. However, they have been disclosed in the Annual Report
- c. In the preparation of accounts, the prescribed Accounting Standard has been followed.
- d. Necessary compliance as per Listing Agreement are made from time to time except non payment of Listing Fees of last ten years (from 2000-2001 to 2010-2011) of Stock Exchange Ahmedabad due to paucity of fund.
- e. The Mumbai Stock Exchange was approached for revocation from suspension of trading of Equity Shares of the Company. However, it has not been acceded to.
- f. The Company applied to Ahmedabad Stock Exchange for delisting of Equity Shares of the Company. The delisting panel of ASE has perused the application and requested to clear outstanding Listing Fees. Relief for waiver was included in the Draft Rehabilitation Scheme submitted to BIFR.
- g. Secretarial Audit: Pursuant to Regulation 55A of SEBI (Depositories and Participants) regulations, 1996, certification is done by Company Secretary- in - Practice for timely dematerialization of the Shares of the Company. Further, secretarial audit on a quarterly basis for reconciliation of the Share Capital of the Company is also done.

8. MEANS OF COMMUNICATION

The Quarterly Results are being sent to the Ahmedabad and Mumbai Stock Exchanges within stipulated period as required under Clause 41 of the Listing Agreement. These Results could not be published by the Company in the News Papers due to financial Crises. The Quarterly Results are being placed on the company's Website.www.vogasolar.com

9. MANAGEMENT DISCUSSION AND ANALYSIS

Business Segments

The Company was engaged in Sheet Metal Fabrication and Manufacturing of A.C, A.C. Kits, Water Coolers, Fans - Blowers etc. Due to lack of sufficient orders to meet the bare minimum expenses, the Company has to discontinue its operations and relieve the work force effective 22nd Nov. 2009.

10. GENERAL SHAREHOLDER INFORMATION

- I. Registered Office : Plot No.472,478, Tajpur Road,
Plant location and Opp.M.N.Desai Petrol Pump,
Address for correspondence Changodar Village,
Sarkhej - Bavla Highway,
Dist: Ahmedabad. Pin Code -382213
Phone: 02717-250418 and 02717-250674
Fax : 02717-250392
- II. Year ending : March 31st
- III. Annual General Meeting : Date : 22nd September, 2010, Wednesday
Time : 11.00 a.m.
Venue : Registered office of the Company.
- IV. Date of Book Closure : Thursday, 16th September, 2010 to
Wednesday, 22nd September, 2010.
- V. Listing on Stock Exchanges : Equity Shares of the Company are listed on Stock
Exchanges at Ahmedabad and Mumbai. But the Company has
applied for delisting from the Stock Exchange, Ahmedabad.
- VI. Stock Code : The Stock Exchange Ahmedabad - 65915
The Stock Exchange Mumbai - 7014
NSDL/CDSL-ISIN - INE 719B01015
- VII. Market Price Data : The shares have been suspended from trading by BSE &
ASE. Request for revocation to BSE has not been acceded to.

VIII. REGISTRAR AND SHARE TRANSFER AGENT:

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg,
Opp.Kasturba Hospital,
Lower Parel (East),
Mumbai - 400 011.
Telephone No.: (022) 23018261
Fax No.: (022) 23016761
Email : busicomp@vsnl.com

IX. SHARE TRANSFER SYSTEM

The Registrar and Share Transfer Agents Purva Sharegistry (India) Pvt. Ltd.; Mumbai are authorised by the Board for processing of share transfers which are approved by the Company's Share Transfer committee.

Share transfer requests are processed and share certificates duly transferred are dispatched to the shareholders within a fortnight.

Share Transfer Committee Meetings are held fortnightly.

All valid requests for dematerialization of shares are processed and confirmation is given to the depositories within 21 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half- yearly basis, have been issued by a Company Secretary - in- Practice for due compliance of share transfer formalities of the Company.

X. Distribution of shareholding as on 31st March, 2010.

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	Shareholding No. of Shares	Percentage of Shareholding
Up to 500	6,451	86.16 %	13,74,879	16.92 %
501 to 1000	457	6.10 %	3,85,900	4.75 %
1001 to 2000	258	3.45 %	4,07,950	5.01 %
2001 to 3000	92	1.23 %	2,26,420	2.79 %
3001 to 4000	33	0.44 %	1,14,650	1.41 %
4001 to 5000	50	0.67 %	2,39,400	2.95 %
5001 to 10000	70	0.93 %	5,31,900	6.54 %
10001 and above	76	1.02 %	48,46,401	59.63 %
Total	7,487	100.00 %	81,27,500	100.00 %

XI. Shareholding Pattern as on 31st March, 2010.

Category	No. of Shares	% to Share capital
1. Promoters Holding		
- Indian Promoters	9,77,550	12.03
- Foreign Promoters	18,24,730	22.45
2. Persons acting in concert	6,86,220	8.44
3. Mutual Funds and UTI	4,100	0.05
4. Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions/Non Government Institutions.)	5,51,200	6.78
5. Corporate Bodies	58,200	0.72
6. Indian Public	37,61,600	46.28
7. NRIs/OCBs	2,63,700	3.25
8. Others- trust	200	0.00
Total	81,27,500	100.00

XII. Dematerialisation of Shares

Trading of Equity Shares of the Company is permitted only in Dematerialized Form. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited, whereby the investors have the option to dematerialise their shares with either of the depositories. About 33% of the equity shares of the Company has been dematerialised as on 31st March, 2010.

11. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

For and on behalf of the Board

**Place : Changodar
Date : 30.05.2010**

**Mahendra S.Bhalavat
Chairman & Managing Director**