

# **RICH**

## **29<sup>TH</sup> ANNUAL REPORT 2018-19**

**RICH UNIVERSE NETWORK LIMITED**  
(FORMERLY KNOWN AS RICH CAPITAL & FINANCIAL SERVICES LTD.)  
CIN: L51100UP1990PLC012089

**REGD. OFF.: 7/125, C-2, IIND FLOOR, SWAROOP NAGAR,  
KANPUR – 208002**

**Tele fax: 0512-2540293**

**E-mail:rcfsl@rediffmail.com, investors@richuninet.com**

**Website: [www.richuninet.com](http://www.richuninet.com)**

## BOARD OF DIRECTORS

Mr. Shashwat Agarwal (DIN: 00122799)  
*Chairman & Managing Director*  
Mr. Rajeev Agarwal (DIN: 00122877)  
*Whole Time Director*  
Mr. Sanjay Gupta (DIN: 00335369)  
*Whole Time Director*  
Mr. Dhruv Kumar Shah (DIN: 02883598)  
*Director (Independent)*  
Mrs. Kavita Awasthi (DIN: 03106803)  
*Director (Independent)*  
Mr. Saket Singh (DIN: 08220732)  
*Director (Independent)*

Mr. Suresh Chandra Verma  
*Chief Financial Officer*

Ms. Pooja Rawat  
*Company Secretary*

### **Auditors:**

Mr. Vibhor Agarwal  
Vibhor Agarwal & Associates  
Chartered Accountants  
24/15, Birhana Road, Kanpur – 208 001

### **Registered Office:**

7/125, C-2, IInd Floor,  
Swaroop Nagar, Kanpur – 208002

CIN: L51100UP1990PLC012089

### **Registrar & Transfer Agent:**

SKYLINE FINANCIAL SERVICES PVT. LTD.  
D-153/A, 1<sup>st</sup> Floor, Okhla, Industrial area,  
Phase 1, New Delhi – 110020

### **Bankers**

HDFC Bank  
State Bank of India

## NOTICE

Notice is hereby given that 29<sup>th</sup> Annual General Meeting of Shareholders of Rich Universe Network Limited (CIN: L51100UP1990PLC012089) will be held on Friday, 27<sup>th</sup> day of September, 2019 at 10:30 A.M. at the Registered Office of the Company at 7/125 (C-2), IInd Floor, Swaroop Nagar, Kanpur – 208002, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended on 31<sup>st</sup> March, 2019 including the Balance Sheet and the Profit and Loss Account of the Company for the financial year ended on 31<sup>st</sup> March, 2019 and notes thereto and the Reports of Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Sanjay Gupta (DIN: 00335369), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), following resolution as an ordinary resolution:-

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the Annual General Meeting held on September 28, 2017, the appointment of Vibhor Agarwal & Associates, Chartered Accountants (Firm registration number: 015525C) as the Statutory Auditor of the Company to hold office till the conclusion of the next Annual General Meeting to be held in the year 2020, be and is hereby approved/confirmed/ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2020, in consultation with the auditors.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act (including any statutory modifications or re-enactment thereof for the time being in force) as recommended by the Nomination & Remuneration Committee of the Company and such other consents, sanctions and permission as may be required under law, if any, consent of the members of the Company be and is hereby accorded to approve re-appointment of Mr. Shashwat Agarwal (DIN: 00122799), as Chairman & Managing Director of the Company for a further period of 3 (Three) years effective from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, liable to retire by rotation subject to the condition that his tenure will not be effected by such retirement and will be re-appointed in the same meeting, on the following terms and conditions:-

D) **Salary**

Rs. 1,25,000 - 4,00,000/- p.m.

**House Rent Allowance**

Rs. 1,00,000/- per month

## **II) Perquisites**

### **1. Medical Reimbursement**

Medical expenses incurred by the Managing Director, of himself and his family subject to a Ceiling of one month's salary per year or three months salary over a period of three years.

### **2. Club Fee**

Fees of Clubs subject to a maximum of two clubs excluding admission and life membership Fees.

### **3. Leave Travel Concession**

For the Managing Director and his family once in a year incurred in accordance with the rules of the Company.

### **4. Personal accidental Insurance**

Of an amount the annual premium of which shall not exceed Rs.12500/-

### **5. Car**

The Company will provide a Car with driver to the Managing Director. Car used for the Company's business will not be considered as perquisites. Use of car for private purpose will be billed by the Company.

### **6. Entertainment Expenses**

The Managing Director shall be entitled to the reimbursement of entertainment expenses actually incurred for the business of the Company.

### **7. Telephone**

The Company will provide telephone at the residence of Managing Director. Telephone used for the Company's business will not be considered as perquisites. Personal long distance calls for private purpose will be billed by the company.

### **8. Provident Fund**

Contribution to provident fund, superannuation fund or annuity fund as per the Company's Rules.

### **9. Gratuity**

Gratuity shall be paid at half a month's salary for each completed year of service and subject to the Company' Rules.

### **10. Leave**

The Managing director shall be entitled to privilege leave with pay not exceeding one month for every eleven months of completed service. Leave not availed of may be encashed.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers conferred by this resolution) be and is hereby authorized and empowered to approve annual increments in basic Salary with consequential increase in all other perquisites and benefits, etc. of Mr. Shashwat Agarwal effective from 1<sup>st</sup> April, each year within the maximum limit approved by members of the company subject to the limits stipulated under Schedule V to the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the term of office of the Managing Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule V of the Companies Act, 2013 (Including any statutory modification or re-enactment thereof, for time being in force) as may be applicable from time to time.”

**“RESOLVED FURTHER THAT** the Managing Director will not be entitled to any sitting fee for the meetings of the company.”

**“RESOLVED FURTHER THAT** Mr. Sanjay Gupta (DIN: 00335369), Whole Time Director of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, things and matters as considered necessary and expedient to give effect to this resolution including filing of necessary forms with office of Registrar of Companies, Uttar Pradesh and Bombay Stock Exchange, if any.”

5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Saket Singh (DIN : 08220732), who was appointed as an Additional Director of the Company with effect from 3<sup>rd</sup> October, 2018, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from 3<sup>rd</sup> October, 2018 to 2<sup>nd</sup> October, 2023.”

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dhruv Shah (DIN : 02883598), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his reappointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from 30<sup>th</sup> September, 2019 to 29<sup>th</sup> September, 2024.”

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Kavita Awasthi (DIN : 03106803), Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on her evaluation of performance, the Nomination and Remuneration Committee has recommended her reappointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from 25<sup>th</sup> March, 2020 to 24<sup>th</sup> March, 2025.”

For Rich Universe Network Limited

Sd/-  
(Pooja Rawat)  
Company Secretary  
M. No. - A38877

Date: - 27.08.2019  
Place: - Kanpur

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER / THEIR BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Blank Proxy Form (MGT 11) is annexed to this Report. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 20, 2019 to Friday, September 27, 2019, both days inclusive.
5. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Additional Information pursuant to the Listing Agreement with the Stock Exchange and SS-2 in respect of all Directors seeking re-appointment as mentioned in the notice of Annual General Meeting is provided hereunder. The said Director has furnished necessary documents/ declarations for his re-appointment.

**Information of Directors being appointed/re-appointed as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2:-**

**Information relating to Mr. Sanjay Gupta, Whole Time Director is given below and the above prescribed information of other Directors whose appointment/re-appointment is proposed at this ensuing Annual General Meeting are respectively given in the explanatory statement annexed with this notice-**

<b>Name of the Director</b>	<b>Mr. Sanjay Gupta</b>
Date of Birth	07.10.1971
Date of Appointment on the Board	01.05.2002
Number of Shares held in the Company	Nil
Number of Meetings of the Board attended/held	10/10
Directorships held in other public companies (excluding foreign companies and Government Bodies)	2
Chairman/Member in the committees of the Boards of Companies in which he is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	Nil

7. Members, who are holding multiple folios, are requested to get their holdings consolidated.

8. Notice of Annual General Meeting with complete Annual Report for the Financial Year 2018-19 are available for inspection by the Members of the Company at the registered office during normal business hours on all working days, Except Saturdays, Sundays and Public Holidays, between 11:00 a.m. to 1:00 p.m. upto date of the Annual General Meeting of the Company i.e. September 27, 2019.
  9. Members/Proxy(ies) are requested to:
    - a. Bring their copy of the annual report and duly filled attendance slip(s) to attend the meeting and produce it at the entrance, for admission to the Meeting venue.
    - b. Note that all correspondence relating to share transfers should be addressed to Registrar and Transfer Agent of the Company, viz. Skyline Financial Services Private Limited, at D-153, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi -110020, Ph. No. 011-26812682-83/64732681-88, E-mail: admin@skylinerta.com.
    - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
  10. Members are requested to notify immediately any change in their addresses to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
  11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by sending an email at: investors@richuninet.com stating subject as 'TO REGISTER E-MAIL ID' or to an-email to our Registrar and Transfer agent, M/s. Skyline Financial Services Private Limited at: admin@skylinerta.com. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. Thus the Annual Report 2018-19 along with the notice of Annual General Meeting, Attendance Slip & Blank Proxy Form (MGT 11) are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of these documents. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
  12. Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non members and children.
  13. Members of the Company can opt any one of the mode for Voting:
    - (i) Re-mote E-voting
    - (ii) E-voting at Venue of Annual General Meeting
    - (iii) Through Ballot / Poll Papers at venue of Annual General Meeting
- Members are requested to opt only one mode of voting and if the Members opted more than one mode then vote cast through E-voting (including term Remote E-voting) will prevail and voting cast by other modes will be treated invalid.
14. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on cutoff date September 20, 2019.
  15. The Scrutinizer will submit his consolidated report (i.e. including voting by all means- Voting through Re-mote E-voting, E-voting at venue of Annual General Meeting and through Ballot/Poll Paper at Annual General Meeting to the Chairman or any other



Director after the completion of voting at Annual General Meeting not later than September 29, 2019 and the results of voting will be declared by the Chairman or any other Director on or before September 29, 2019 at the Registered Office of the Company at 7/125, C-2, IInd Floor, Swaroop Nagar, Kanpur – 208002 and will also be displayed on the website of the Company i.e. [www.richuninet.com](http://www.richuninet.com) and communicated to the Stock Exchange and also to the agency which is providing Re-mote E-voting Facility or E-voting at Venue of Annual General Meeting of the Company.

**16. Voting through Electronic means:**

- (i) In compliance with the Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited (herein after referred as CDSL).
- (ii) The facility of electronic voting and Ballot/Poll Paper shall be provided to the Members at the Annual General Meeting who have not yet cast their vote through Re-mote E-voting.

17. A person who has acquired the shares and has become a Member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. 20<sup>th</sup> September, 2019, shall be entitled to exercise his/her vote for all the items specified in the Notice of AGM.

18. The e-voting will commence on Tuesday, September 24, 2019 at (9:00 a.m.) and will close on Thursday, 26<sup>th</sup> September, 2019 at (5:00 p.m.). During this period, the Members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. September 20, 2019, may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the electronic voting module shall be disabled for voting by CDSL thereafter.

19. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

20. The facility for voting through Ballot/Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by Re-mote E-voting shall be able to exercise their right at the meeting through E-voting or Ballot/Poll Paper. The members who have already cast their vote by Re-mote E-voting prior to the meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.

21. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 20, 2019.

22. A certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

23. The Company has appointed Ms. Neha Jain, Practicing Company Secretary, Kanpur (Membership No. 8123; CP No. 10628) as the Scrutinizer for electronic voting process and voting at Annual General Meeting through Ballot/Poll Paper, in a fair and transparent manner.

**24. The instructions for shareholders voting electronically are as under:**

- (i) The Re-mote e-voting period begins Tuesday, September 24, 2019 at (9:00 a.m.) and ends on Thursday, 26<sup>th</sup> September, 2019 at (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders / Members.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Rich Universe Network Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from app Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Contact Details:**

<b>Company</b>	: Rich Universe Network Limited Regd. Office: IInd Floor, 7/125, C-2, Swaroop Nagar, Kanpur -208002 CIN: L51100UP1990PLC012089 E-mail ID: investors@richuninet.com/rcfsl@rediffmail.com TelFax: 0512-2540293
<b>Registrar and Transfer Agent</b>	: Skyline Financial Services Private Limited D-153, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020. E-mail ID: admin@skylinerta.com Tel: +91-11-64732681 to 88 Fax : +91-11-26812682
<b>e-Voting Agency</b>	: Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : 022- 22723333/ 8588
<b>Scrutinizer</b>	: Ms. Neha Jain Practising Company Secretary E-mail ID: nehajain115@gmail.com Phone : 0512-2332397

## EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”), sets out all material facts relating to the business mentioned at Item Nos. 4 and 7 of the accompanying Notice dated August 27, 2019:

### Item No. 4:-

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Company at their meeting held on 18<sup>th</sup> day March, 2019 re-appointed Mr. Shashwat Agarwal (DIN: 00122799) as Chairman and Managing Director of the Company for further period of 3 (three) years commencing from 1<sup>st</sup> day of April, 2019 to 31<sup>st</sup> day of March, 2022, liable to retire by rotation subject to the condition that his tenure will not be effected by such retirement and will be re-appointed in the same meeting subject to approval of the Members of the Company at their meeting held after the meeting of the Board of Directors of the Company re-appointing him as Chairman and Managing Director of the Company, tenure of Mr. Shashwat Agarwal as Chairman & Managing Director of the Company was liable to expire on 31.03.2019, Mr. Shashwat Agarwal has been re-appointed on same remuneration which has been approved by the Members of the Company earlier at last Annual General Meeting held on 30.09.2015, details of remuneration are given in resolution no. 4 of this notice.

The Statement containing information as required under Schedule V to the Companies Act, 2013, to the extent applicable, is given hereunder:

### I. General Information :

- (1) Nature of Industry – The Company is engaged in the financial business.
- (2) Date of Commencement of Business – 21<sup>st</sup> August, 1990.
- (3) Financial Performance based on given indicators: The company earned a net profit of Rs. 71,631.01 for the year ended 31<sup>st</sup> March, 2019 as compared to net profit of Rs. 1,12,400.99 during the previous year.
- (4) Foreign Investments or Collaborators – NIL

### II. Information about the Appointee:

- (1) Background Details – Mr. Shashwat Agarwal is actively involved in day to day business activities of the company since its incorporation. With his efforts and decision making process, the company has its recognition in its segment among the investors spread throughout country.

Basically, Mr. Shashwat Agarwal (58) is commerce graduate and he is actively involved in capital market since 1987 and has experience of more than 28 years. He has very good understanding of capital and financial market. His strength also includes strong relationship management, international alliances/tie ups and business development.

- (2) Past Remuneration – Remuneration of Mr. Shashwat Agarwal as Chairman and Managing Director was revised in the year 2014 and re-appointment is made by the Board on the same remuneration paid or payable to Mr. Shashwat Agarwal as Chairman and Managing Director of the Company for the current term of re-appointment i.e. 01.04.2019 to 31.03.2022.
- (3) Job profile and his suitability – Mr. Shashwat Agarwal is entrusted with substantial powers of the management of the company by virtue of Articles of the Company or an agreement with the Company or a resolution passed in its general meeting or by its Board of Directors subject to the superintendence, control and direction of the Board of Directors, regulations made by the company in general meeting and the

restrictions imposed by the Companies Act, 2013 (erstwhile subject to provisions of Companies Act, 1956) and shall do all his power to promote, develop and extend the business of the company. Mr. Shashwat Agarwal has managed the company's business in very effective and efficient manner. The challenging business environment requires review of operations, monitoring and decision making on day to day basis besides strategic guidance and advice on ongoing basis for upgradation and expansion/diversification activities in which the company would be immensely benefitted by his matured and timely advise.

- (4) Remuneration Proposed – There is no change in remuneration of Mr. Shashwat Agarwal for current term of re-appointment and it is similar with old remuneration in all respects.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - The executive remuneration in the industry is on rise. The Nomination & Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the financial sector and other companies comparable with the size of the company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed here in above. Considering qualifications, background, experience and competence of Mr. Shashwat Agarwal and the responsibility shouldered by him as Managing Director, in terms of remuneration are considered to be fair, just and reasonable.
- (6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel - Other than entitlements of remuneration as set out above for his services as Chairman & Managing Director of Rich Universe Network Limited, Mr. Shashwat Agarwal has directly or indirectly no other pecuniary relationship with the company or any other Director or managerial personnel of the company except as shareholder/promoter through his relatives.

### **III. Other Information:**

- (1) Reasons for Inadequate Profit: As the company is in financial sector and the performance of the company was not satisfactory due to up and down in security market & unfavorable monetary environment.
- (2) Steps or proposed to be taken for improvement: The Company has initiated several steps for restoring profitability by considering diversification its business activities from time to time in terms of amendment made in its object clause. The company has also initiated various measures towards achieving organizational and operating efficiencies and strengthening core competencies. With the above steps, the company is expected to perform reasonably well in future by focusing on new areas and explored its business activities.
- (3) Expected increase in productivity and profits in measurable terms - In addition to steps proposed to be taken for improvement as detailed above, key focus areas would be profit maximization, operational efficiencies, cost and working capital containment. Barring unforeseen circumstances, the overall outlook for the next years seems to be positive and the management is optimistic of achieving improvements in the company's performance. However, it is extremely difficult in present scenario to predict profits in measurable terms but the above initiatives are expected to improve productivity and profitability.

#### **IV. Disclosures:**

The required disclosures as to remuneration package, etc. are appropriately made in the report on Corporate Governance annexed to and forming a part of Annual Report every year, which may be referred to.

Keeping in view the qualifications, rich and varied experience and managerial skills of Mr. Shashwat Agarwal, the Board of Directors recommends the passing of the proposed resolution as a special resolution in compliance with provisions of the Companies Act, 2013 read with rules made thereunder.

Other than Mr. Shashwat Agarwal, none of other Directors or Key Managerial Personnel of the Company or their relatives (except as shareholder(s)/promoter(s) through his relatives) is concerned or interested in the resolution at Item No. 4 of the accompanying Notice.

Brief Profile of Mr. Shashwat Agarwal is given in background details.

#### **Directorship in other Companies-**

##### **Listed Companies-**

Nikki Global Finance Limited (Director)

##### **Unlisted Companies-**

New E-World Services Limited (Director)  
Apheleia Power Projects Limited (Director)  
Apheleia Sports Limited (Director)  
Horizon Commtrade Limited (Director)  
Horizon Portfolio Limited (Director)

#### **Membership / Chairmanship of Board Committees in other Companies-**

Nikki Global Finance Limited

Audit Committee - Member

The Board recommends the Special Resolution set out at Item No. 4 for the approval of members.

#### **Item No. 5**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Saket Singh (DIN : 08220732) as an Additional Director of the Company, with effect from 3<sup>rd</sup> October, 2018 under Sections 149, 150 and 152 of the Companies Act, 2013 as an Independent Director of the Company. Mr. Saket Singh shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director.

The Company has also received a declaration of independence from Mr. Saket Singh. In the opinion of the Board, Mr. Saket Singh fulfils the conditions as set out in Section 149 (6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as Independent Director. Mr. Saket Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

A brief profile of Mr. Saket Singh is given below-

Mr. Saket Singh (24) is very energetic person and person of eminent knowledge in the various fields, and the Board is considering that appointment of Mr. Saket Singh as Director of the Company will be beneficial for the Company.

**Directorship in other Companies-**

Mr. Singh does not hold directorship in any other Company.

**Membership / Chairmanship of Board Committees in other Companies-**

Mr. Singh does not hold Membership / Chairmanship of the Board Committees in other Companies.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Saket Singh as an Independent Director for period upto 5 (five) consecutive years with effect from 3<sup>rd</sup> October, 2018 for the approval by the members of the Company.

Except Mr. Saket Singh, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 for the approval of members.

**Item No. 6**

As per Section 149 (10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company had at the Annual General Meeting held on 30<sup>th</sup> September, 2014, approved the appointment of Mr. Dhruv Kumar Shah (DIN : 02883598) for a period of 5 years commencing from 30<sup>th</sup> September, 2014 till 29<sup>th</sup> September, 2019.

Based on his performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, Mr. Dhruv Kumar Shah, is eligible for re-appointment as Independent Director and had offered him for re-appointment. The Board of Directors recommends the proposal to re-appoint him as Independent Director for a term as mentioned in the special resolution no. 6.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose him as a candidate for the office of the Director.

The Company has also received a declaration of independence from them.

In the opinion of the Board, Independent Directors fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the Listing Regulations for re-appointment as an Independent Director of the Company and are independent of the management. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that association of the Independent Director would be of immense benefit to the Company considering their expertise and experience and it is desirable to avail services of these Independent Director.



A brief profile of Mr. Dhruv Shah is as under-

Mr. Dhruv Shah (61) is very experienced person and have knowledge in the various fields, and the Board is considering that appointment of Mr. Dhruv Shah as Director of the Company will be beneficial for the Company.

**Directorship in other Companies-**

Mr. Shah does not hold directorship in any other Company.

**Membership / Chairmanship of Board Committees in other Companies-**

Mr. Shah does not hold Membership / Chairmanship of the Board Committees in other Companies.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dhruv Shah as an Independent Director for period upto 5 (five) consecutive years with effect from 30<sup>th</sup> September, 2019 for the approval by the members of the Company.

Except Mr. Dhruv Shah, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

The Board recommends the Special Resolution set out at Item No. 6 for the approval of members.

**Item No. 7**

Mrs. Kavita Awasthi (DIN : 03106803) was appointed as an Independent Director of the Company w.e.f. 25<sup>th</sup> March, 2015 for a consecutive period of five years and the appointment was approved by the Members at Annual General Meeting held on 30<sup>th</sup> September, 2015.

Based on their performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, is eligible for re-appointment as Independent Director and had offered her for re-appointment. The Board of Directors recommends the proposal to re-appoint her as Independent Director for a term as mentioned in the respective special resolution.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose her as a candidate for the office of the Director.

The Company has also received a declaration of independence from them.

In the opinion of the Board, Independent Directors fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for re-appointment as an Independent Director of the Company and are independent of the management. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that association of the Independent Directors would be of immense benefit to the Company considering their expertise and experience and it is desirable to avail services of these Independent Director.

A brief profile of Mrs. Kavita Awasthi is as under-

Mrs. Kavita Awasthi (44) is very experienced woman and have knowledge in the various fields, and the Board is considering that appointment of Mrs. Kavita Awasthi as Director of the Company will be beneficial for the Company.

**Directorship in other Companies-**

**Listed**

Nikki Global Finance Limited - Director  
Cityon Systems (India) Limited - Director

**Unlisted**

Astha Departmental Stores Private Limited - Director

**Membership / Chairmanship of Board Committees in other Companies-**

**Nikki Global Finance Limited**

Audit Committee - Member  
Nomination and Remuneration Committee - Chairperson  
Stakeholders Relationship Committee - Member

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Kavita Awasthi as an Independent Director for period upto 5 (five) consecutive years with effect from 25<sup>th</sup> March, 2020 for the approval by the members of the Company.

Except Mrs. Kavita Awasthi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

The Board recommends the Special Resolution set out at Item No. 7 for the approval of members.

For Rich Universe Network Limited

Sd/-  
(Pooja Rawat)  
Company Secretary  
M. No. - A38877

Date: - 27.08.2019

Place: - Kanpur