

RICH

23RD ANNUAL REPORT 2012-13

RICH UNIVERSE NETWORK LIMITED
(FORMERLY KNOWN AS RICH CAPITAL & FINANCIAL SERVICES LTD.)

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

Phones: 0512-3258312, 3258204 Fax: 0512-3072718
e-mail:rcfsl@rediffmail.com

BOARD OF DIRECTORS

Mr. Shashwat Agarwal
Mr. Rajeev Agarwal
Mr. Sanjay Gupta
Mr. Manoj Kumar
Mr. Dhruvesh Kumar Shah
Mr. Govind Das Agarwal
Mr. Sunil Kumar Tripathi

Chairman & Managing Director
Director
Director
Director
Director
Director
Company Secretary

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

Registered Office

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

Registrar & Transfer Agent

Mr. Mukesh Rajani
Rajani Mukesh & Associates
Chartered Accountants
510, Prem Ratan Vatika,
7/180, Swaroop Nagar, Kanpur – 208 002

Auditors

HDFC Bank
State Bank of India

Bankers

NOTICE

Notice is hereby given that 23rd Annual General Meeting of Shareholders of the Company will be held on Monday, the 30th day of September, 2013 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 business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the financial year ended on 31st March, 2013 and Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To Appoint a Director in place of Mr. Dhruv Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Mr. Govind Das Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), following resolution as an ordinary resolution.

“RESOLVED THAT M/s Rajani Mukesh & Associates, Chartered Accountants, retiring statutory auditors of the Company who retires at the ensuing Annual General Meeting be and are hereby re-appointed as statutory auditors of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and that the Board of Directors of Company be and is hereby authorized to fix their remuneration.”

SPECIAL BUSINESS

- (5) To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:-

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents, sanctions and permissions as may be necessary in law, Shri Shashwat Agarwal be and is hereby re-appointed as the Chairman & Managing Director of the company, not liable to retire by rotation, for a further period of 3 (Three) years effective from 1st April, 2013 to 31st March, 2016 on the such terms and conditions including remuneration, perquisites and benefits, etc. as set out in the Explanatory Statement attached to this notice and submitted for approval to this meeting, is hereby approved.”

“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 or disapprove annual increments in Basic Salary with consequential increase in all other perquisites and benefits, etc. of Shri Shashwat Agarwal effective from 1st April, each year within the maximum limit approved by members of the company subject to the limits stipulated under Schedule XIII to the Companies Act, 1956.”

"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 XIII of the Companies Act, 1956 (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."

- (6) To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents, sanctions and permissions as may be necessary in law, Shri Rajeev Agarwal be and is hereby re-appointed as the Whole Time Director of the company, not liable to retire by rotation, for a further period of 5 (Five) years effective from 1st April, 2013 to 31st March, 2018 on the such terms and conditions including remuneration, perquisites and benefits, etc. as set out in the Explanatory Statement attached to this notice and submitted for approval to this meeting, is hereby approved."

"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 or disapprove annual increments in Basic Salary with consequential increase in all other perquisites and benefits, etc. of Shri Rajeev Agarwal effective from 1st April, each year within the maximum limit approved by members of the company subject to the limits stipulated under Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of the Whole Time Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule XIII of the Companies Act, 1956 (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 Whole Time Director will not be entitled to any sitting fee for the meetings of the company."

- (7) To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents, sanctions and permissions as may be necessary in law, Shri Sanjay Gupta be and is hereby re-appointed as the Whole Time

Director of the company, not liable to retire by rotation, for a further period of 5 (Five) years effective from 1st April, 2013 to 31st March, 2018 on the such terms and conditions including remuneration, perquisites and benefits, etc. as set out in the Explanatory Statement attached to this notice and submitted for approval to this meeting, is hereby approved.

"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 or disapprove annual increments in Basic Salary with consequential increase in all other perquisites and benefits, etc. of Shri Sanjay Gupta effective from 1st April, each year within the maximum limit approved by members of the company subject to the limits stipulated under Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of the Whole Time Director, the Company will pay him remuneration by way of salary and perquisites not exceeding the ceiling laid down in Part II of Schedule XIII of the Companies Act, 1956 (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 Whole Time Director will not be entitled to any sitting fee for the meetings of the company."

For Rich Universe Network Limited



(Sunil Kumar Tripathi)
Company Secretary

Place: - Kanpur

Date: - 02.09.2013

Notes:-

1. A member entitled to attend and vote at the meeting may appoint one or more proxy(ies) to attend and vote in his stead and proxy need not be a member of the Company.
2. Duly filled in proxy form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business at item nos. 5, 6 and 7 is annexed hereto and forms part of the Notice.
4. Register of Members and share transfer books will remain closed from Monday, 23rd September, 2013 to Monday, 30th September, 2013 (both the days inclusive).
5. Members holding shares in electronic form are requested to notify change in their address to their depository participant.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

The term of office of Shri Shashwat Agarwal as Chairman & Managing Director of the company was expired on 31st March, 2013. The Board of Directors at their meeting held on 23rd day of February, 2013 has re-appointed Shri Shashwat Agarwal as Chairman & Managing Director of the company, not liable to retire by rotation, for a further period of 3 (Three) years effective from 1st April, 2013 till 31st March, 2016 subject to approval of the members at the general meeting. The Board has also approved the remunerations, perquisites and other benefits payable to Shri Shashwat Agarwal as Chairman & Managing Director based on the approval accorded by a resolution passed by the remuneration committee. The broad particulars of remuneration and perquisites payable to and other principal terms and conditions of re-appointment of Shri Shashwat Agarwal, are as under:

I. Tenure of re-appointment: 3 (Three) years with effect from 1st April, 2013 to 31st March, 2016.

I) Salary

Rs. 1,25,000.00 p.m. — Rs. 2,00,000.00 p.m.

II) Perquisites

1. House Rent Allowance

Rs. 50,000/- per month

2. 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.

3. Club Fee

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

4. Leave Travel Concession

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

5. Personal accidental Insurance

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

6. 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.

7. Entertainment Expenses

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

8. 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.

9. Provident Fund

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

10. Gratuity

Gratuity shall be paid at half a month's salary for each completed year of service.

11. 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.

The Statement containing information as required under Schedule XIII to the Companies Act, 1956, to the extent applicable, is given hereunder:

A. General Information :

- (1) Nature of Industry – The Company is engaged in the financial business.
- (2) Date of Commencement of Business – 21st August, 1990.
- (3) Financial Performance based on given indicators: The company earned a net profit of Rs. 92,092.30 for the year ended 31st March, 2013 as compared to net profit of Rs. 3,86,340.31 during the previous year.
- (4) Export Performance and net foreign exchange collaborations – NIL
- (5) Foreign Investments or Collaborators – NIL

B. Information about the Appointee:

- (1) Background Details - Shri 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, Shri Shashwat Agarwal is commerce graduate and he is actively involved in capital market since 1987 and has experience of more than 25 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 - The existing remuneration package of Shri Shashwat Agarwal is same with the past remuneration which interalia consists of monthly basis salary of Rs. 1,25,000.00 – 2,00,000.00 besides allowances, perquisites and other benefits in accordance with the company's practice, rules and regulations in force from time to time.
- (3) Job profile and his suitability – Shri Shashwat Agarwal is entrusted with substantial powers of the management of the company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the company in general meeting and the restrictions imposed by the Companies Act, 1956 and shall do all in his power to promote, develop and extend the business of the company. Shri 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 – proposed remuneration is same with the past remuneration.
- (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 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 cognisance to all these factors before approving the remuneration as proposed hereinabove. Considering qualifications, background, experience and competence of Shri 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, Shri Shashwat Agarwal has directly or indirectly no other pecuniary relationship with the company or any other Director of the company.

C. 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 Taken for improvement: The Company has initiated several steps for restoring profitability by diversifying its business activities in terms of amendment made in Memorandum of Association. 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 current financial year 2013-14 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.

D. 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 Shri 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, 1956.

Save and except Shri Shashwat Agarwal, none of other Directors of the company is, in any way, concerned or interested in the said resolution.

ITEM NO. 2

The term of office of Shri Rajeev Agarwal as Whole Time Director of the company was expired on 31st March, 2013. The Board of Directors at their meeting held on 23rd day of February, 2013 has re-appointed Shri Rajeev Agarwal as Whole Time Director of the company, not liable to retire by rotation, for a further period of 5 (Five) years effective from 1st April, 2013 till 31st March, 2018 subject to approval of the members at the general meeting. The Board has also approved the remunerations, perquisites and other benefits payable to Shri Rajeev Agarwal as Whole Time Director based on the approval accorded by a resolution passed by the remuneration committee. The broad particulars of remuneration and perquisites payable to and other principal terms and conditions of re-appointment of Shri Rajeev Agarwal, are as under:

I) Salary

Rs. 25,000/- per month (Rupees Twenty Five Thousand Per Month only).

II) Perquisites

1. House Rent Allowance

Rs. 10,000/- per month

2. Medical Reimbursement

Medical expenses incurred by the Whole Time 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.

3. Leave Travel Concession

For the Whole Time 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. 2000/-

5. Car

The company will provide a Car with driver to the Whole Time 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. Telephone

The company will provide telephone at the residence of Whole Time 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.

7. Provident Fund

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

8. Gratuity

Gratuity shall be paid at half a month's salary for each completed year of service.

9. Leave

The Whole Time 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.

The Statement containing information as required under Schedule XIII to the Companies Act, 1956, to the extent applicable, is given hereunder:

A. General Information :

- (1) Nature of Industry – The Company is engaged in the financial business.
- (2) Date of Commencement of Business – 21st August, 1990.

- (3) Financial Performance based on given indicators: The company earned a net profit of Rs. 92,092.30 for the year ended 31st March, 2013 as compared to net profit of Rs. 3,86,340.31 during the previous year.
- (4) Export Performance and net foreign exchange collaborations – NIL
- (5) Foreign Investments or Collaborators – NIL

B. Information about the Appointee:

- (1) Background Details - Shri Rajeev Agarwal is actively involved in day to day business activities of the company since its incorporation.
Shri Rajeev Agarwal is law graduate and has experience of more than 20 years in capital and financial market.
- (2) Past Remuneration - The existing remuneration package of Shri Rajeev Agarwal is same with the past remuneration which interalia consists of monthly basis salary of Rs. 25,000.00 besides allowances, perquisites and other benefits in accordance with the company's practice, rules and regulations in force from time to time.
- (3) Job profile and his suitability – Shri Rajeev Agarwal is overlooking day to day business affairs of the company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the company in general meeting and the restrictions imposed by the Companies Act, 1956. Shri Rajeev Agarwal has managed the company's business in very effective and efficient manner.
- (4) Remuneration Proposed – proposed remuneration is same with the past remuneration.
- (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. Considering qualifications, background, experience and competence of Shri Rajeev Agarwal and the responsibility shouldered by him as Whole Time 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 Whole Time Director of Rich Universe Network Limited.

C. 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 Taken for improvement: The Company has initiated several steps for restoring profitability by diversifying its business activities in terms of amendment made in Memorandum of Association. 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 current financial year 2013-14 seems to be positive and the management is optimistic of achieving improvements in the company's performance. However,