**Securities Investors Association (Singapore)**
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UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** SEVAK Limited

**Stock code:** BAI

**Meeting details:**
Date: 30 April 2021
Time: 11.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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**Q1**. As noted in the chairman's message, the company is proposing to change its name from "SEVAK Limited" to "Digilife Technologies Limited". It is envisaged that the new name denotes the company's "digital and technology push for the businesses it is into".

This comes after a similar move when the company changed its name from "S i2i Limited" to "SEVAK Limited" in 2018. It was then said that the proposed name of SEVAK (a Sanskrit word depicting "service") will better reflect the company's corporate culture and business strategy, oriented towards delivery of services in the main business segments. The latest change comes just 3 years later and the new name appears to bring the group (somewhat) full circle back to the days of Mediacom Technologies/Mediaring.com.

(i) **Can the board help shareholders understand the necessity to change the name with such frequency?** While it is important to finetune the group's strategy in response to market changes, a good strategy (and name) should have a sufficiently long runway and not be time-limited. Big successful technology companies with visionary leaders such as Apple, Microsoft, Facebook, Netflix have not changed their names even as they grow into new businesses and new areas. The holding company of Google is now known as Alphabet only after the group grew much larger and expanded beyond just being a search engine business, and not before.

(ii) **Has there been sufficient continuity in the group's strategic vision and business plans to allow management time to execute and to realise value for shareholders?**

(iii) **Have the frequent name changes led to confusion of the strategic vision of the group with its stakeholders, such as employees, business partners?**

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**Q2.** Would the board/management provide shareholders with greater clarity on the following operational and governance matters? Specifically:

(i) **Divestment:** The company has stated that it will focus on exiting sunset/non-strategic businesses and monetise assets to fund its new investments (page 5 – Operational review). **Which business units have been identified as divestment candidates? What criteria will the board use to approve any such divestments?**

(ii) **Transfer from mainboard to Catalist:** The company has also stated that, with its transfer to the Catalist board, it can start to execute on the divestments mentioned above. **Can the board help shareholders understand if the company's transfer to the Catalist was mainly to facilitate the corporate actions given the higher thresholds accorded to Catalist companies? What are the additional measures put in place by the board to ensure that shareholders' interests are safeguarded? Can the board elaborate on the steps being taken to execute the rationale announced for moving to Catalist board?**

(iii) **Acquisitions & new businesses:** The company has stated that it is carrying out pilot projects in the space of Fintech, IoT, Big data and software solutions. **Can the board/management help shareholders understand the investment criteria used in its acquisitions/investments into new businesses? What is the track record of the management team in running start-up/early stage companies? How is the group carrying out its search for these new investments?**

(iv) **Cash flow:** The group's cash and cash equivalents amounted to $8.3 million as at 31 December 2020. Net cash flows used in operating activities were $(3.0) million in FY2020 and $(5.5) million in FY2019. **Can management help shareholders understand its strategy and efforts to improve its working capital and to generate cash flow?**

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**Q3.** As disclosed in the corporate governance report, Dr. Bhupendra Kumar Modi was re-appointed to the board as chairman on 6 March 2020. Dr. Modi was previously the chairman of the board until 2018 when he stepped down "*due to personal preoccupations and his plans to pursue philanthropic endeavours in the quest for building a better society and work towards the greater good*".

As noted in the annual report, Dr. Modi will provide vision and strategy to the group as well as drive the group's strategic direction and growth.

In addition, the former executive chairman and group CEO position, Mr. Maneesh Tripathi, resigned from the board on the same day and was appointed chairman and group CEO of Affinity Capital Pte Limited, a wholly owned subsidiary of the company. Mr. Maneesh Tripathi is not identified as a key management person (page 25) in the corporate governance report.

In addition, there were further changes to the senior management team as follows:

- Mr. Mayank Vishnoi was appointed as the CEO on 1 April 2021; previously appointed as the Chief Strategy Officer (CSO) on 2 July 2020
- Mr. Rakesh Khera, the previous CFO, resigned on 15 December 2020
- Mr. Abhrajit Shaw appointed as the new CFO on 17 December 2020

(i) **Given the changes to the board and to the management team, is there sufficient stability and continuity to provide a steady hand to lead the group during this critical period?**

(ii) **Would the chairman help shareholders understand if he has the focus, bandwidth and stamina to lead the group given that he resigned in 2018 "*to pursue philanthropic endeavours in the quest for building a better society and work towards the greater good*"?** In 2020, the world was ravaged by the coronavirus pandemic which has severely impacted the underprivileged and the disadvantaged. Given Dr. Modi's dedication to philanthropic endeavours, his work in building a better world would be most needed at this junction.

As disclosed in the corporate governance report, the board is cognisant of the recommendation of Guideline (sic) 2.2 of the 2018 CG Code which provides that where, inter alia, the chairman of the board is not an independent director, the independent directors should make up a majority of the board which shall come into effect from 1 January 2022 (page 19).

It is noted that Provision 2.2 (not Guideline 2.2) of the Code of Corporate Governance 2018 requiring independent directors to make up a majority of the board where the chairman is not independent has already come into effect for annual reports covering financial years commencing from 1 January 2019, i.e. in 2020. Only the strict definition of independent director (and the requirement for a two-tier vote for long-tenured director) was given a longer transition and will come into effect from 1 January 2022.

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(iii) **What is the board's familiarity with the Code of Corporate Governance 2018 and the SGX listing rules?**

(iv) **Is the nominating committee (NC) well advised on the requirements of the CG Code on the board composition?**

(v) **Will the NC relook the composition of the board and reconstitute the board?** A board with a majority of independent directors can bring about a stronger element of independence on the board, leading to more balanced board dynamics, and more robust constructive debate.

(vi) **With the group pivoting to Fintech, IoT, Big data and high-tech projects, is the board and the senior management team relatively light on technology expertise and technology management experience?**

(vii) In addition, the board also has the responsibility to ensure that, inter alia, effective human resources and management leadership of high quality are in place (page 17). It is noted that Mr. Abhrajit Shaw was appointed the CFO after the former CFO resigned on 15 December 2020. **Can the NC help shareholders understand how it had carried out a search for the CFO position? What was the criteria used for the selection of the CFO? With all due respect to Mr. Abhrajit Shaw, how did the NC evaluate Mr. Abhrajit Shaw's experience and credential for the CFO of a listed company as he is relatively inexperienced (with 6 years of working experience) and does not appear to have a track record in the CFO role?**

(viii) The former CSO, Mr. Mayank Vishnoi, was re-designated as the CEO on 1 April 2021 and was in his role as the CSO for just nine months. **What were the performance parameters given and did the NC or the board review the performance parameters? Given that the skillsets required of a chief strategy officer is vastly different from that of a chief executive officer, can the NC help shareholders understand the criteria and search process for the CEO role? Were other candidates interviewed by the board or NC for the CEO post as this is a key appointment executing on the group's strategy? Was this post advertised or was this appointment through references?**

(ix) In addition, the newly appointed CEO and CFO do not seem to have relevant listed company or international business experience. **How will this affect the business and compliance of the company? What steps is the board putting in place to ensure compliance and disclosures as conducted in a timely manner?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)