

## SEVAK LIMITED

Company Registration No.: 199304568R  
(Incorporated in the Republic of Singapore)

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### RESPONSE TO SIAS Q&As ON ANNUAL REPORT

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The Board of Directors (the “**Board**”) of Sevak Limited (the “**Company**”) refers to the questions received from the Securities Investors Association (Singapore) (the “**SIAS**”) on 21 April 2021 in relation to the Company’s Annual Report for the financial year ended 31 December 2020 and wishes to respond to the questions as follows.

#### 1. SIAS’s Question 1:

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.

#### Company’s Response:

The Company has explained the rationale for the proposed change of name of the Company in its circular dated 8 April 2021 reproduced below for ready reference.

The Company proposes to change its name from “SEVAK LIMITED” to “DIGILIFE TECHNOLOGIES LIMITED”. Year 2020 has accelerated the existing trend of “Digitalization”. Quick development and adoption of newer innovative technologies are pushing companies further and faster into the future. All customers, both enterprises and individuals, are looking for solutions via digital means or sources. Thus, digitalization and technology has revolutionized the world and will continue to transform our lives.

Keeping in view the rapidly changing business landscape, the Company has further aligned its strategy. The Company aims to transform itself into a high growth business with futuristic technologies leading towards digitalization.

The new name of the company signifies its purpose and vision, the Board is of the view that the new name will reflect the Company's futuristic, high growth business strategy and inclusive new age culture, in a much more meaningful manner.

The Board is of the view that the new name connotes required agility, future readiness and focus on value creation for all stakeholders. The Directors believe that the Proposed Change of Name will better reflect the Company's corporate culture and business direction, going forward. This will allow the public and the Company's business partners to identify and recognise the Company and Group under this new name.

- (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?**

**Company's Response:**

On 26 February 2021, the Company transferred to the Catalist board from the Mainboard based on the rationale which was announced. The Board has appointed Mr. Mayank Vishnoi as the CEO on 1 April 2021 and Mr. Abhrajit Shaw as CFO on 17 December 2020. The former Group CEO, Mr. Maneesh Tripathi moved to an affiliate company, Spice Global Ventures Pte Limited in Singapore and has also taken a role as Managing Director in the Group's holding company Smart Global Corporate Holdings Pvt Limited on 1 April 2021. This movement within the same group would also enable to keep continuity on execution and strategy and of any support, if needed, by the new management team.

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

**Company's Response:**

Previous name changes have not led to any adverse effect on the strategic vision of the Group with its stakeholders. The Company had announced rationale for the name change each time. The stake holders have not reported any adverse impact due to this on the Company.

**2. SIAS's Question 2:**

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?**

**Company's Response:**

The Company is in the process of identifying and evaluating its strategic business plans including the divestment of sunset and non-strategic businesses. Once

finalised, it will be presented to the Board for review and assessment. The Company will make necessary announcement when there are any material updates on this matter.

- (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?**

**Company's Response:**

Please refer to the responses to Q.no.2(i) above on the rationale for the transfer to the Catalist board.

The Company and the management is in the process of evaluating business plans including divestments of sunset and non-strategic businesses. The Board will follow all relevant rules and regulations and other regulatory guidelines, as applicable, for the divestment process, safeguarding the interests of all shareholder including the minority shareholders.

- (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?**

**Company's Response:**

In Indonesia, the Company has commenced a digitization pilot based on a Fintech platform in alliance with a partner for its distribution network to transform itself into a digital distribution company. This new Fintech pilot will help the Company assess its new strategy going forward into the new technology. The management team is sufficiently competent to handle this pilot project.

No new acquisitions in this space have been made. This pilot is purely on an alliance/partnership model. The other technology projects are still in its planning stage as the COVID-19 pandemic made the Company hold back the programs till there is clarity in the marketplace in this space.

The Company continues to identify the businesses in new technologies. If Company identifies and finalizes the new areas/businesses which align with its strategic vision and growth plan, the Company will make the necessary announcements accordingly.

- (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?**

**Company's Response:**

The World Health Organisation (WHO) declared the COVID-19 outbreak as pandemic on 11 March 2020 leading to a series of measures by countries across the world to contain the spread of the virus. COVID-19 outbreak and subsequent lockdown across countries had an impact on the respective business of the Group. Consequently, individual business segments of the Group declined in revenue during the 2H 2020 and FY 2020 against the corresponding periods of the previous year by 20.6% & 8.5% in Distribution of operator products and services, 22.9% & 12.2% in ICT distribution and managed services, and 21.6% & 36% in Battery Electric Vehicles. While COVID-19 had its toll on all businesses of the Group, the BEV business engaged in passenger land transport in Singapore was worst hit due to travel restrictions. As a result of the restriction, the cash flow from operations were affected. Consequently, steps were taken to review the total operating overhead of the Group, and accordingly there was a saving of SGD 3.1 Million in total operating overhead in FY 2020 as compared to FY 2019. The cash flow from operations in FY 2020 has improved from FY 2019 levels as well. The Group is closely monitoring the situation and shall take all necessary steps to improve the working capital of the Group.

**3. SIAS's Question 3:**

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 Khara, 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?**

**Company's Response:**

As mentioned in the responses to Q.1(ii), Mr. Maneesh Tripathi has not left the group, given his appointment as Executive Director at the Group's affiliate company and his new position as Managing Director at the Group's holding company. The Board has appointed Mr. Mayank Vishnoi as the CEO on 1 April 2021 and Mr. Abhrajit Shaw as CFO on 17 December 2020 to realise its strategic vision and business plan after being satisfied in terms of knowledge, skills and experience to execute the role. The new management team can draw upon the experience of the past management team, if needed, to keep continuity and alignment of the strategy. In addition, the Chairman, Dr. Modi remains at the helm of the Board now, to also guide the strategy.

- (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.**

**Company's Response:**

Yes, the Chairman has sufficient capability and bandwidth to lead the Group. Dr. Modi is a technology entrepreneur and has been successful in creating many firsts in the Industry from Photocopiers/Xerox machines, to ICT/Computers, to mobile phones and now in 'EV' space for the last 40+ years. His vision and direction is needed to guide the Company during this tough pandemic phase which the worldwide market place is observing. It is clear to the Company that Dr. Modi can lead and guide the Company and in parallel continue to pursue his philanthropic endeavours which he has been executing for last many decades in parallel.

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.

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

**Company's Response:**

The Board has disclosed its familiarity with the Code of Corporate Governance 2018 and the SGX listing rules through the announcement of principle and guidelines followed in the Corporate Governance Report.

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

**Company's Response:**

Yes, NC is 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.

**Company's Response:**

Yes, whenever there is an appointment or resignation of a Board Member, NC relooks the composition of the Board and reconstitutes the Board as needed. Additionally, there is an annual board evaluation process conducted by the NC. Furthermore, the Independent Directors together with the lead independent director provide independent leadership to the Board and the company. As such, the Board is of the opinion that there is sufficient independence in its exercise of objective judgment on business affairs of the Group. There is adequate accountability and transparency reflected by internal controls established within the Group as well as the fact that at least half of the Board comprises of independent directors, which adds a strong element of independence to board decisions.

- (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?**

**Company's Response:**

The Board and senior management team has sufficient experience, knowledge and management skills on technology. Please refer to page 13-15 of the Annual Report 2020 for senior management profiles. However, as needed the Company will augment skills and expertise in any specific area/pilot needed.

- (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?**

**Company's Response:**

Mr. Abhrajit Shaw ("Mr. Shaw") was recommended by NC to be appointed as CFO after Management's shortlisting. Two other candidates were considered but they were not selected based on the skills and experience required for this position. NC noted that the Mr. Shaw was employed with Bharat IT Services Limited, a wholly owned subsidiary of Sevak Limited. He joined the Group's holding company on 17 June 2020. Management had noticed his talent and capability and recommended that Mr. Shaw be appointed to the position of CFO of Sevak Limited. It was noted that internal promotions was suited better than hiring a person from outside the Group in this pandemic scenario. The NC and the Board considered and approved the appointment of Mr. Shaw based on his capability, knowledge, qualifications and experience. The Board was of the view that Mr. Shaw will bring a fresh perspective to the overall finance function with his prior experience of value creation.

- (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?**

**Company's Response:**

Mr. Mayank Vishnoi was appointed as Chief Strategy Officer ("CSO") of the Company in July 2020. The NC noted his experience in strategy, corporate finance and capital markets in Asia and also considered his relevant knowledge, skill and experience required for the role before recommending his appointment as the CEO of the Company.

- (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?**

**Company's Response:**

There are sufficient number of employees in the Group which have relevant experience and expertise in compliance area. There is a proper compliance structure in place, to review and resolve issues as well as support and advise the Company, to ensure compliance and disclosures are conducted in a timely manner. An internal compliance committee will also be formed by the Company in order to ensure that all relevant rules and regulatory requirements are adhered to by the Company and all members of the committee will also attend appropriate training courses on compliance as well.

**BY ORDER OF THE BOARD**

**Chada Anitha Reddy**

Non-Independent Non-Executive Director  
Sevak Limited

29 April 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

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