

FREQUENTLY ASKED QUESTIONS

RIGHTS ISSUE OF EQUITY SHARES OF SEPC LIMITED

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of equity shares (“Issue” or “Rights Issue”) by SEPC Limited (“Company”) in terms of the letter of offer dated November 22, 2023 (“Letter of Offer”) filed with the BSE and NSE Limited (“BSE along with NSE or Stock Exchange”) and Securities and Exchange Board of India (SEBI). These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer, including the sections “Notice to Investors”, “Risk Factors” and “Terms of the Issue” beginning on pages 12, 23 and 225, respectively, of the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar to the Issue, Stock exchange, and the Company at <https://rights.cameoindia.com/sepc2>; www.bseindia.com; www.nseindia.com and www.sepc.in. Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

A) GENERAL FAQs:

1) What is the Rights Issue schedule?

ISSUE OPENING DATE	Wednesday, December 06, 2023
LAST DATE FOR ON MARKET RENUNCIATION*	Tuesday, December 12, 2023
ISSUE CLOSING DATE#	Monday, December 18, 2023
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Thursday, December 21, 2023
DATE OF ALLOTMENT (ON OR ABOUT)	Friday, December 22, 2023
DATE OF CREDIT OF EQUITY SHARES TO DEMAT ACCOUNT OF ALLOTTEES (ON OR ABOUT)	Wednesday, December 27, 2023
DATE OF LISTING/ COMMENCEMENT OF TRADING OF RIGHTS EQUITY SHARES ON THE STOCK EXCHANGE (ON OR ABOUT)	Friday, December 29, 2023

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

#The Board of Directors will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to the Company or to the Registrar, they are required to provide their demat account details to the Company or the

Registrar not later than two Working Days prior to the Issue Closing Date i.e., Wednesday, December 13, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date i.e., Friday, December 15, 2023.

2) How can an Eligible Equity Shareholder access the details of his respective Rights Entitlement?

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/sepc2>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (i.e., www.sepc.in).

3) How will the Basis of Allotment be decided?

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- b. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment 245 under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares

provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- e. Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’

4) When will the Rights Entitlements be credited to the demat account?

On Thursday, December 30, 2023

5) When will the Rights Equity Shares get listed on the exchange?

On or about Friday, December 29, 2023

6) How to withdraw an Application made through ASBA platform?

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

7) What are the details of the Issue?

Rights Equity Shares offered in the Issue	Upto 3,83,84,615 Equity Shares
Rights Entitlement	01 (One) Rights Equity Share for every 36 (Thirty Six) fully paid-up Equity Share held on the Record Date
Record Date	Tuesday, November 28, 2023
Face Value per Rights Equity Share	₹10/- each
Paid up Value per Rights Equity Share	₹10/- each
Issue Price	₹13/- each, including a premium of ₹3/- each
Issue size	₹ 49,90,00,000/-

8) What are the options available to an Eligible Equity Shareholder in rights Issue?

The Eligible Equity Shareholders will have the option to

- Apply for his Rights Entitlement in full;

- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Entitlements; and
- Renounce his Rights Entitlement in full.

9) Where can I get the Rights Issue documents if I have not received any mail?

The Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material will be sent/ dispatched only to the Eligible Equity Shareholders. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of the Company to the Eligible Equity Shareholders who have provided their Indian addresses to the Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, the Company, and the Stock Exchange, subject to the applicable law. In the event that e-mail addresses of the Eligible Equity Shareholders were not available with the Company/ Depositories or the Eligible Shareholders had not provided valid e-mail addresses to the Company/ Depositories, the Company has dispatched the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) the Company at www.sepc.in
- b) the Registrar to the Issue at <https://rights.cameoindia.com/sepc2>
- c) the Stock Exchange at www.bseindia.com; and www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. <https://rights.cameoindia.com/sepc2>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (i.e., www.sepc.in).

The Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

10) Can an application in the rights Issue be made using third party bank account?

No. Investors can make payment only using bank account held in their own name. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

11) Can a joint bank account be used to make applications on behalf of shareholders?

In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

12) Can an application be made by cash / cheque?

No.

13) Can an application be made by visiting the Company, Registrar?

No.

14) Can the broker collect the application form and submit the application?

No.

15) How can an Investor understand if the Rights Equity Shares have been allocated?

The Company and/or the Registrar will email Allotment advice to the successful investors who have received allocation.

16) What is the procedure for making plain paper application and where can the plain paper application be submitted?

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

B) FAQs FOR SHAREHOLDERS HOLDING EQUITY SHARES IN A PHYSICAL FORM:

- 1) What is the process to be followed by a shareholder holding shares in a physical form, for understanding their Rights Entitlements details?**

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/sepc2>) by entering their Folio Number and PAN. The link for the same shall also be available on the website of the Company (i.e. www.sepc.in).

- 2) What is the process to be followed, to make an application in Rights Issue, by a shareholder holding shares in a physical form?**

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company are advised to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date i.e Wednesday, December 13, 2023 to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

- 3) What is the process of updating the email ID, phone number, Indian address?**

Updation of e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/sepc2>

Updation of Indian address can be sent to Registrar at email id priya@cameoindia.com or by way of Registered post/Courier at Cameo Corporate Services, No 1 Subramaniam Building, Club House Road, Chennai – 600002

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/sepc2>

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders at email id at investor@cameoindia.com

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sepc2> for the purpose of downloading rights entitlement letter.

- 4) Can shareholders holding Equity Shares in a physical form renounce their Rights Entitlement?**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, in this case being Wednesday, December 13, 2023, will not be able to renounce their Rights Entitlements.

5) Will share certificates be provided to shareholder holding Equity Shares in a physical form if demat account is not provided?

No, share certificates will not be provided to shareholder holding Equity Shares in a physical form.

6) Why will physical share certificates not be issued to successful Allottees in Rights Issue?

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only.

7) Can shareholders holding Equity Shares in physical form apply through ASBA?

Shareholders holding Equity Shares in physical form, can apply through ASBA only after opening a demat account (in case of non-existing account) and providing necessary documents to the RTA at least 2 working days prior to the Issue Closing date, i.e., by Wednesday, December 13, 2023 and have the Rights Entitlement credited to their demat account.

C) FAQs BY SHAREHOLDERS HOLDING EQUITY SHARES IN DEMAT FORM:

1) What is the process to be followed by a shareholder holding Equity Shares in demat form to make an application in rights Issue?

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either the ASBA process for resident Investors in the Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Terms of the Issue - Procedure for Application through the ASBA Process*” on page 228 of the Letter of Offer.

2) What is the process of on market and off market renunciation?

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of the Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN – INE964H20022 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One (1) Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, December 06, 2023 to Tuesday, December 12, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN – INE964H20022 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on ‘T+1 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN – INE964H20022, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

D) FAQs BY INSTITUTIONAL INVESTORS, NON-RESIDENT INVESTORS:

1) What is the procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI (Foreign Portfolio Investors) Regulations, 2019 (“SEBI FPI Regulations”), investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of the Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by the Company, the total investment made by the FPI or investor

group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

2) What is the procedure for applications by AIFs, FVCIs and VCFs

The SEBI AIF Regulations and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 (“SEBI FVCI Regulations”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI.

As per the Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

3) What is the procedure for applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate the Company and the Registrar about such approval within the Issue Period.

4) What is the procedure for applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5) What is the procedure for applications by Systemically Important Non-Banking Financial Companies (‘NBFC-SI’)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.