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**OMAX AUTOS LIMITED**

**OMAX/STEX/2020-21/10**

**Date: 14<sup>th</sup> July, 2020**

**The Manager – Listing  
National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051

**The Manager - Listing  
BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**NSE Code: OMAXAUTO**

**BSE Code: 520021**

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of COVID-19 pandemic on the Company.**

Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status, is enclosed.

This is for your information and record.

Thanking you.  
Yours sincerely,  
For **Omax Autos Limited**

**Sanjeeb Kumar Subudhi  
(Company Secretary cum Compliance Officer)**

Encl.: A/a.



## COVID-19 Pandemic Situation- Update on Operations

### A. Impact on the business

The onset of COVID – 19 pandemic and consequent lockdowns and restrictions imposed on various industrial and economic activities have posed several challenges to all the business units of Omax Autos Limited (the “Company”/“Omax”).

The Company’s operations were hit substantially from 21<sup>st</sup> March, 2020. When the national lockdown was declared from 23<sup>rd</sup> March, 2020, all the units located across India and corporate office were closed. Few of the units as an abundant precaution, were closed from earlier date also. Later, towards 1<sup>st</sup> week of May, 2020, various plants and units resumed operations, but, with drastically reduced capacity. As the company is dealing in manufacture and supply of auto-components and heavily dependent on business from few customers, the business also hampered due to low business volume from these customers due to complete shutdown during lockdown. Even if various units resumed operations in 1<sup>st</sup> week of May, due to restrictions on economic activities and movement, various units could run only one shift only and production could only increase in phased manner. There was no revenue during the complete lockdown period and after that, there has been marginal revenue growth in all the units. However, the company expects the situation to improve in couple of months. Hence, the revenue in the current financial year may be little lower than normal.

The Company has two new plants in Uttar Pradesh becoming operational in this financial year. These were expected to go into commercial production in first quarter of the financial year. However, due to lockdown and restrictions on import, procurement of many heavy machines which were to be imported, mainly from China and European countries, got delayed. Certain heavy machines could not be commissioned due to lack of technical experts which were to be provided by the manufacturers from abroad. Hence, completion of these two new projects are now expected to be delayed by few months and commercial production are expected to start in third quarter of the current financial year. The undue delay in completion would also increase the pre-operative cost.

### B. Ability to maintain operations including the factories/units/office spaces functioning and closed down

As stated earlier, all the manufacturing units and the corporate/administrative office were shut completely during the lockdown. However, for various administrative and managerial functions, Company had adopted ‘work from home’ policy during lockdown. Even after lockdown has eased, considering high rate of cases in Delhi NCR, corporate office located in Haryana has been operating with minimum capacity and rest of the employees are working from Home. Other units in Haryana are also operating at lower capacity. One of the reason for the same is non-availability of skilled workers, as most of them have moved to their home towns and have not come back yet.

**C. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations**

After the lockdown has lifted, the Company has started re-opening its units across all locations after following due safety protocols issued by state and central governments. Staffs were provided laptops and technical support to work from home. Manufacturing activities have started at all the facilities. However production scheduled has been at lower side. Production ramp-up will depend upon customers' demand and availability of inventories and skilled workers, which it seems, will happen when the economic activities will gain momentum after the COVID crisis eases. Currently, it is expected that the production would continue to be at lower than normal. The Registered and Corporate office at Gurgaon is functioning normally though with limited staff working from office in rotation in the initial phase. Rest of the staffs are working from Home.

**D. Estimation of the future impact of CoVID-19 on its operations**

The Company is predominantly dependent on its Commercial Vehicle and Railway businesses. Both these industry segments have also been hit by this pandemic and consequent lockdown. Even after the lockdown has opened company has witnessed reduced business volumes from its customers. This may continue for some time. Hence, the company may see little lower revenue than normal in the current financial year. In current scenario when economic activities have been very minimal and it seems, it may continue for some time and there has been restrictions on movement, transportations; business in commercial vehicles will take little more time to gain momentum. Railway business may also face a similar situation. The profitability may also be affected accordingly.

**E. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control**

The company has heavily invested in its two new plants in Uttar Pradesh. Though the Company has adequate banking limits in place to take care of working capital requirements, however, due to low revenue, increase in receivables and heavy inventory pile up, currently the liquidity position is bit tight. However, company expects the situation to ease as revenue growth gets momentum and receivables are converted into cash. Further, the company has already planned to liquidate some of its idle assets to infuse more funds into the system. Accordingly, debt servicing will not cause any concern.

This crisis has not affected the internal financial reporting and control much. During initial few days of lockdown, as the company was transitioning to new technologies, the system was slowed down a bit. However, currently the financial reporting and control system is fully functional and operating efficiently.

**F. Impact of COVID-19 on supply chain**

This unprecedented disruption in business has also affected the supply chain. Their working capital management and liquidity has also taken a hitting. However, most of the vendors have resumed their production and have recovered. Hence, supply chain would not cause any problem for the company.

**G. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

The Company is in good contractual relationship with both its customers and vendors and does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.

Thanking you.

Yours sincerely,

For **Omax Autos Limited**



**Sanjeeb Kumar Subudhi**

**(Company Secretary cum Compliance Officer)**

