

**Date:** 07<sup>th</sup> May, 2024

To  
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

**Ref 1:** Notice for non-compliance with SEBI (LODR) Regulations, 2015 vide NSE notice "NSE/LIST-SOP/COMB/FINES/0223 dated February 22, 2024

**Ref 2:** NSE Letter NSE/LIST/SOP/0461 dated 03<sup>rd</sup> May, 2024

**Subject:** Request for waiver of fine to the Exchange

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI Listing Regulations, we would like to inform that BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") have, vide their communication dated 22<sup>nd</sup> February, 2024 ("Exchange Letters") and NSE Letter NSE/LIST/SOP/0461 dated 03<sup>rd</sup> May, 2024 (**Copy enclosed as Annexure-1**), imposed fine regarding Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We were supposed to provide the disclosure with reference to the Notice for non-compliance with SEBI (LODR) Regulations, 2015 vide the aforementioned notice NSE/LIST/SOP/0461 dated 03<sup>rd</sup> May, 2024 mentioning that fine amount as mentioned below:

Regulation	Quarter/Half year ended	Fine amount per day	No. of days	Fine amount (Rs.)
17 (I)	December 31, 2023	5,000	64 days	3,20,000
	March 31, 2024	5,000	29 days	1,45,000
Total fine				4,65,000
GST@18%				83,700
Total Fine payable (Inclusive of 18% GST)				5,48,700

We got to know about such disclosure and as such we provide the reason for delay.

Explanation of Delay as per Regulation 30(6) of SEBI LODR:

We humbly wish to mention that after the Board Meeting for March Quarter 2024 held on 02<sup>nd</sup> May, 2024, the CS of the Company had to visit his hometown on the same day. When he returned to office on Monday-06<sup>th</sup> May 2024, he found the final decision of the



Exchange regarding waiving off after checking the official mails; and as such the information is being provided today i.e. 07<sup>th</sup> May, 2024.

Thanks & Regards



**Mohit Srivastava**  
(Company Secretary cum Compliance Officer)



Enclosed: a/a

## National Stock Exchange Of India Limited

Ref. NSE/LIST/SOP/0461

May 03, 2024

To  
The Company Secretary  
**Omax Autos Limited**  
Plot No. B-26, Institutional Area  
Sector 32, Gurgaon, Haryana-122 001

Dear Sir/Madam,

**Subject: Request for waiver of fine to the Exchange**

This is with reference to waiver application filed by your Company seeking waiver of fines as levied by the Exchange for delay in compliance pertaining to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as the ‘SEBI LODR Regulations, 2015’) and the details of the same are mentioned hereinbelow:

Sr. No	Quarter	Regulation
1	31-Dec-23	17
2	31-Mar-24	

The matter was placed before the Relevant Authority of the Exchange and your request for waiver of fine was not considered favourably. The decision of the Relevant Authority after considering your submissions is enclosed as **Annexure 1**. Therefore, you are hereby requested to make the payment of fines levied on or before **May 10, 2024**, or else the Exchange may initiate appropriate actions against the Company and/or Promoters of the Company. The particulars about the manner in which fine shall be remitted to the Exchange is enclosed as **Annexure 2**.

You are requested to ensure compliance with Listing Regulations and/or any other applicable Regulations in future.

Yours faithfully,  
For **National Stock Exchange of India Limited**

**Rachna Jha**  
Manager

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Signer: RACHNA JHA  
Date: Fri, May 3, 2024 16:19:04 IST  
Location: NSE

**National Stock Exchange Of India Limited****Annexure 1****DECISION OF THE COMMITTEE FOR REVIEW OF PENALTIES OF THE EXCHANGE IN THE MATTER OF OMAX AUTOS LIMITED****1. BACKGROUND**

1.1 The equity shares of Omax Autos Limited (hereinafter referred to as ‘the Company’) are listed on the Exchange with effect from February 20, 2003, having its registered office situated in the state of Haryana and listed at both the Exchanges i.e. Bombay Stock Exchange (BSE).

**1.1 Details of the non-compliances for the last two years:**

The Company was observed to be non-compliant under the below mentioned regulations of SEBI LODR Regulations, 2015, as covered under SEBI SOP Circular along with the one for which the waiver application had been received.

The details of the past non-compliances and the fines as levied therein by the Exchange were as follows:

Sr. No	Company Name	Quarter Ended	Regulation	Fine levied	Fine Paid (Yes/No)
1	Omax Autos Limited	31-Mar-23	18	90,000	Yes
<b>TOTAL FINE LEVIED</b>				<b>90,000</b>	

*\*Waiver Application was placed in the 112<sup>th</sup> Internal Committee Meeting held on June 27, 2023, and the said waiver requests by rejected by the Committee of the Exchange.*

**2. DETAILS OF THE CURRENT NON-COMPLIANCE:**

2.1 As per Regulation 17 (1)(a) of the SEBI LODR Regulations, 2015, the listed entity shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors.

2.2 As per Regulation 17 (1E) of the SEBI LODR Regulations, 2015, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy:

***Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.***

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Date of waiver application received	February 28, 2024
Period	December 31, 2023, March 31, 2024
Regulation	Reg. 17 – Composition of the Board of Directors
Details of Non-Compliance	Reg. 17 – The Company did not have optimum combination of Executive and Non-Executive Directors as <b>half of the Board did not have 50% of the Non-Executive Director during the period from October 29, 2023 till January 29, 2024.</b>
Due Date of Compliance	October 28, 2023 (The office of the Director got vacated due to expiration of term of its office and the Company was required to fill the vacancy not beyond the date of such vacancy)
Date of Compliance	January 30, 2024
Days of non-compliance	Reg. 17 For quarter ended December 31, 2023 – 64 days. For the quarter ended March 31, 2024- 29 days
Total days of non-compliance	93 days
Total fines levied for the consecutive quarters	For the quarter ended December 31, 2023: Rs. 3,20,000/-  For the quarter ended March 31, 2024: Rs. 1, 45,000/-
<b>Total fine levied for consecutive quarters ended on December 31, 2023 and March 31, 2024 - Rs. 4,65,000/-</b>	

### **3. SUBMISSIONS OF THE COMPANY:**

The Company had made the following submissions:

- 3.1 *We had got your email dated January 20<sup>th</sup>, 2024, stating the subject as "Clarification - Corporate Governance Report" mentioning "Half of the Board was not Non-Executive." Therefore, we were asked to furnish the relevant details/provide explanation to the Exchange on the above observation on the immediate basis. Thereafter, we had genuinely replied to the exchange on January 22<sup>nd</sup>, 2024 with respect to the same (**Response copy enclosed as Annexure-I**).*
- 3.2 *Thereafter, we again got the Query Letter from Exchange dated February 07<sup>th</sup>, 2024 (**Query letter enclosed as Annexure-II**) stating:*

*“Provisions pertaining to Board Composition (Regulation 17)*

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## National Stock Exchange Of India Limited

Reason:

1.1 Half of the Board is not Non-Executive.

1.2 As per Regulation 17(1E) of SEBI (LODR) Regulation Non-Executive, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy: Provided that if the listed entity becomes non-compliant with the requirement under sub regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.

1.3 On basis of reply dated January 22, 2024, Company is not complying with Regulation 17 of SEBI LODR Regulations, 2015, read along with Regulation 17(1E) of SEBI (LODR) Regulations, 2015 due to completion of tenure of Mrs. NOVEL LAVASA.

1.4 The Company had responded to the letter to NSE on February 08th, 2024 (**Response copy enclosed as Annexure-III**).

1.5 Further, the Company has got the email dated February 22<sup>nd</sup>, 2024 from the NSE for imposition of the fine as per the details mentioned below:

Regulation	Quarter	Fine amount per instance	Days of non-compliance /No of instances	Fine amount (Rs.)
Reg 17	31-Dec-2023	5,000	64	3,20,000
<b>Total Fine</b>				<b>3,20,000</b>
<b>GST @ 18%</b>				<b>57,600</b>
<b>Total</b>				<b>3,77,600</b>

1.6 We wish to further mention here that in our last reply dated 08<sup>th</sup> February, 2024, we had mentioned that we had genuinely made different interpretation regarding Regulation 17(1E) of the SEBI (LODR) Regulations, 2015 and further stated that the proper interpretation regarding the time period of 3 months to fill up the vacation caused, got to know only after we got the information from NSE regarding the proviso column of said Regulation 17(1E) of the SEBI (LODR) Regulations, 2015.

1.7 The Company have immediately taken the action and appointed a Non-Executive Director on the Board at its board meeting held on January 30<sup>th</sup>, 2024 in order to align the Board composition in terms of requirements of Regulation 17, upon expiry of Mrs. Novel Lavasa as Non-Executive Independent Director on 28<sup>th</sup> October, 2023 and subsequently, informed to both the Exchanges NSE and BSE regarding the actions taken.

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**National Stock Exchange Of India Limited**

- 1.8 Further, please note that the Company is yet in losses and that Company has been still taking steps for a turnaround from a loss making Company to a Profit making Organization. In consideration of that we humbly request you to forgive us and we assure that such type of lapse would never be repeated in future. We shall surely adhere to your further suggestions in this regard. The situation is tarnishing the image of department & Company as well.
- 1.9 We wish to submit that the mistake was unintentional with no malafide intention. We have been continuously trying our best to comply with the SEBI LODR compliances and putting all our best efforts. We hereby request to condone the delay in filling up the vacancy.
- 1.10 We thereby apologise for our interpretation with respect to said Regulation. Request to kindly accept our apologies on record. waive off the penalty amount or reduce it to the extent possible as the fine imposed Is really too much for the Company due to the reasons as mentioned above and further, it would be charged by both NSE & BSE both separately. We shall be very grateful to you.

**4. OBSERVATIONS AND DECISION OF THE COMMITTEE:**

The Committee noted the submissions made by the Company and following observations were made there under:

- 4.1 The Committee noted that pursuant to Regulation 17 (1) (a) of the SEBI LODR Regulations, 2015, “the listed entity shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors.”
- 4.2 The Committee was further informed that the Company did not have optimum composition of Executive and Non-Executive Directors on the Board of the Company as half (fifty percent) of the Board did not have Non-Executive Directors during the period from October 29, 2023 till January 29, 2024, owing to the expiration of the term of office of Non-Executive Independent Director, Mrs. Novel Lavasa w.e.f. October 28, 2023.
- 4.3 The Committee was further informed that pursuant to Regulation 17 (1E) of the SEBI LODR Regulations, 2015, which explicitly provided for wherein any vacancy (which is defined under Regulation 25 (6) of the SEBI LODR in the office of Director which arises due to resignation or removal of a director) shall be filed by the listed entity at the earliest and not later than the three months from the date of vacancy).

Hence, the proviso of regulation clearly defined that the Companies should achieve compliance for the vacancy which arises due to expiration of term of office of Director not later than the date of vacancy.

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## National Stock Exchange Of India Limited

- 4.4 The Committee was further informed that the Company did not have optimum composition of the Non-Executive Director on the Board of the Company wherein out of eight (08) Directors on the Board of the Company, there shall be 04 Non-Executive Directors and 04 Executive Directors to be in compliance of optimum composition of the Board.

It was herein noted by the Committee that following was the Composition of the Board as on October 28, 2023:

Sr. No	Name of the Director	Category of the Director
1	Mr. Bharat Kaushal	Non-Executive Independent Director and Chairperson
2	Mr. Devashish Mehta	Executive Director
3	Mr. Jatender Kumar Mehta	Executive Director
4	Mr. Nipun Khurana	Independent Director
5	Mrs. Novel Lavasa	Independent Director <i>(ceased to be a director due to expiration of term of office w.e.f. October 28, 2023)</i>
6	Mr. Ram Kumar Chugh	Independent Director
7	Ms. Sakshi Kaura	Executive Director
8	Mr. Tavinder Singh	Executive Director

Hence, consequent to the vacation of the aforesaid Director on the Board of the Company, the Company was required to fill in the vacancy.

- 4.5 It was further observed that Company *vide its disclosure dated January 30, 2024 (intimated at both the Exchanges) appointed Mr. Nikhel Kochhar as Non-Executive Independent Director on the Board of the Company on January 30, 2024 and thereby achieving compliance after a delay of 93 days as per the aforesaid regulations as follows:*

Sr. No	Name of the Director	Category of the Director
1	Mr. Nikhel Kochhar	Non-Executive Independent Director (w.e.f. January 30, 2024)

- 4.6 The Committee while noting the contentions of the Company specifically mentioning that:

- it had wrongly interpreted with respect to the compliance of the aforesaid regulations;*
- owing to the non-availability of the Directors, could not conduct the Board Meeting and hence the Board Meeting was held on January 30, 2024 and further*
- the Company was undergoing severe losses.*

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## National Stock Exchange Of India Limited

which resulted in delayed compliance of the aforesaid regulations, was of the opinion that *the proviso of the regulation 17 (1E) of the SEBI LODR Regulations, 2015 explicitly mentioned that any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy:*

*Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.*

- 4.7 The Committee further was of the opinion that misinterpretation of law or unawareness of law could not in any way be considered as justifiable, valid and reasonable grounds of delayed compliance and thus would have appointed Director on the Board on or before the date of expiration of the term of erstwhile Director i.e. on or before October 28, 2023 to be in compliance of the aforesaid regulations.
- 4.8 The Committee extensively deliberated on the matter and after elaborate discussions was of the view that the reasons as mentioned herein above by the Company were not considered as appropriate for substantiating its grounds for delayed compliance and further the Company had failed to provide sufficient facts/ documentary evidence and necessary supporting contentions and had not initiated any further steps to fulfil the vacancy on the Board within the due timelines which could determine or demonstrate its reasons for delayed compliance.
- 4.9 In view of the above, the Committee decided to reject the requests for waiver of fines aggregating to an amount of **Rs.4,65,000/-** as mentioned hereinbelow:

Quarter	Regulation	Due Date of Compliance as per SEBI LODR Regulations, 2015	Date of compliance achieved by the Company	Period of Non-Compliance	Days of Non-Compliance	Fine levied (Rs.)
December 31, 2023	17 (1)(a) (Half) Fifty Percent of the Board did not have Non-Executive Directors.	October 28, 2023	January 30, 2024	From October 28, 2023 till December 31, 2024	64 days	3,20,000
March 31, 2024	(Composition of the Board was not appropriate)			January 01, 2024 till January 29, 2024	29 days	1,45,000
<b>TOTAL FINE LEVIED</b>						<b>4,65,000</b>

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**Annexure 2**

Regulation	Quarter/Half year ended	Fine amount per day	No. of days	Fine amount (Rs.)
17 (1)	December 31, 2023	5,000	64 days	3,20,000
	March 31, 2024	5,000	29 days	1,45,000
<b>Total fine</b>				<b>4,65,000</b>
<b>GST@18%</b>				<b>83,700</b>
<b>Total Fine payable (Inclusive of 18% GST)</b>				<b>5,48,700</b>

**Notes:**

- If the fine amount is paid before receipt of this letter, then inform the Exchange accordingly.
- Please mail the fine payment details including name of the bank, UTR No., date of payment etc. on [listingSOP@nse.co.in](mailto:listingSOP@nse.co.in)
- The above payment may be made vide RTGS / NEFT / Net Banking or through Cheque payment favoring 'National Stock Exchange of India Limited'. The bank details towards the payment of fine are as follows:

BENEFICIARY NAME	NATIONAL STOCK EXCHANGE OF INDIA LIMITED
BANK NAME	IDBI BANK LTD
A/C NO	Please refer Unique Account Code used for making Annual Listing fees to the Exchange
BRANCH	BANDRA KURLA COMPLEX, MUMBAI
RTGS/IFSC CODE	IBKL0001000

- The fine paid as above will be credited to IPFT as envisaged in the circular.

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