

FORCE MOTORS LIMITED

Dividend Distribution Policy

Background:

Pursuant to notification no. SEBI/ LAD-NRO/GN/2016-17/008 dated 8th July, 2016, the Securities and Exchanges Board of India ("SEBI" for brevity) has issued SEBI (Listing Obligations and Disclosure Requirements)(Second Amendment) Regulations, 2016, mandating the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy and disclose in the company's Annual Report and on its website. Consequently the Company being amongst the top 500 listed entities on BSE Limited, as on 31st March 2016, the Board of Directors of the Company in its meeting held on 30th July 2016, has considered and approved the **Force Motors Limited – Dividend Distribution Policy**.

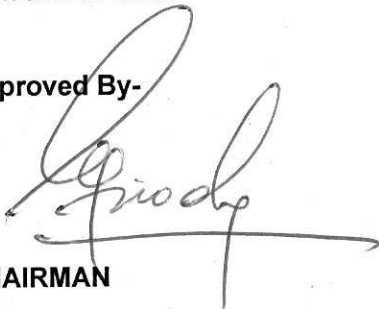
Parameters for declaration of dividend:

- Based on the adequacy of profits, availability of retained earnings, investment fund requirement and also operational fund requirements, the Board of Directors will deliberate and decide the possibility and extent of dividend that the shareholders of the Company may expect.
- The Board of Directors of the Company, before declaration of dividend, shall also consider the internal factors such as trend of operating costs, Company's growth plans, and external factors like market competition, peer industry practices, economic viability etc.
- The Board of Directors of the Company shall also look into the aspects of how efficiently and effectively the retained earnings are to be deployed for better utilisation of the resources, and for wealth creation of the shareholders of the Company.
- This Policy shall be applicable on uniform basis to all the shareholders of the Company.

Review:

The Board of Directors of the Company shall review/ alter/amend/ modify this policy as may be needed from time to time.

Approved By-



CHAIRMAN