

## Announcement

FORCE Motors Limited (**FORCE**) signed a Licence Agreement, with Daimler AG (**Daimler**) on 25<sup>th</sup> July 2011. By this, Daimler has licensed the technology to FORCE for an Multiple Purpose Vehicle (MPV) . This comprehensive supply of product technology will facilitate the entry of FORCE into the segment of passenger and goods vehicles, which is adjacent to its current product line of the "Traveller" light commercial vehicle.

Daimler earlier had licensed to FORCE technology for a modern 2.2 litre common rail engine, the OM 611, which FORCE is using in the Traveller range of vehicles. Uprated versions of this engine are adapted, for use in the SUV – 'FORCE ONE' - being launched by FORCE Motors shortly. Similar variants will be adapted for installation in the new MPV, for which the above technology licence is being obtained.

FORCE already has on-going arrangement with MBtech Powertrain GmbH (**MBtech**),for sourcing technical assistance in regard to engine installation, vehicle build quality, electronic refinement, etc. It is intended that the MPV,

to be introduced under the new technical licence, will also receive support from MBtech.

FORCE is engaged in a dialogue with the Madhya Pradesh Government to locate a new plant, for the production of the MPV at Pithampur. The production of this new product is expected to commence towards the end of calendar year 2012, with an initial capacity of approximately 24,000 vehicles per annum.

Daimler AG and FORCE Motors Limited have had continuous business relationship spanning four decades. Earlier Daimler AG (then Daimler Benz AG) were shareholders in FORCE, and had licensed to FORCE (then Bajaj Tempo Limited) the Traveller range of light commercial vehicles, and the famous OM 616 engine. Since 2001, Daimler no longer holds shares in FORCE.

FORCE is the contract manufacturer to assemble engines and axles, for the requirement of Mercedes-Benz India Pvt. Ltd., which is a wholly owned subsidiary of Daimler, producing a wide range of the Premium Mercedes-Benz passenger cars in India.