



One Nation | One Association

FEDERATION OF AUTOMOBILE DEALERS ASSOCIATIONS

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FOR IMMEDIATE RELEASE

FADA requests intervention of PMO and Allied Ministries on UM Lohia's exit from India

3rd December'19, New Delhi: The Federation of Automobile Dealers Associations (**FADA**) which had taken up the cause of the dealers of 'UM Motorcycles', whose motorcycles were manufactured and sold in India by UM Lohia Two Wheelers Pvt. Ltd (**UM Lohia**) has now requested Prime Minister's Office and Allied Ministries viz. Heavy Industries, Road Transport & Highways, Commerce & Industry and Corporate Affairs Ministries to intervene in this matter.

Earlier, FADA, through its counsel Khaitan & Co, had issued a legal notice to UM Lohia and its management, calling upon them to redress all grievances of dealers and to take steps to ensure the maintenance and servicing of motorcycles already sold in accordance with the warranty terms and law.

Having received no satisfactory response from the Company as well as its owners, FADA now has requested the Prime Minister's Office, Ministry of Heavy Industry & Public Enterprises, Ministry of Road Transport & Highways and Corporate Affairs Ministry calling upon the Government to urgently intervene in the matter.

The said incidence is now the 3rd one after General Motors and Man Trucks sudden exit from the country.

Auto Manufacturer's shutting shops and exiting India overnight now brings a strong urge to introduce Franchisee Protection Act in the Country to safeguard the interest of the Customers, Dealers & Employees since India aspires to make our Country a Manufacturing hub with the aim of Make in India.

Fact sheet below illustrates loss suffered by Customers, Dealers and Employees who stand to lose their jobs as a result of sudden cease of operations by UM Lohia is mentioned below:

KEY FACTSHEET FOR UM MOTORCYCLES	
UM & Lohia Auto Pvt. Ltd. JV Incorporated in the year	2015
First dealership registered	2016
Stopped Production	Oct-18
Total number of UML Dealership	80 Dealerships
Total Capital loss across 80 Dealerships	Rs. 150 Crore
Direct Job losses across 80 Dealerships	Over 2,500
Total Customer base	Over 10,000
Product price Range	Rs, 1,75,000



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UM Lohia is a joint venture between the Lohia Group and UM Motorcycles, an American motorcycle company. The joint venture was set up in 2016 to manufacture and sell in India 'American' style motorcycles under the brand of 'UM Motorcycles'.

Looking at the plight of the Customers who are not getting proper service and spares because of carelessness of the owners and the Dealers who are aggrieved by the dishonesty and fraud on part of the management and promoters of UM Lohia, including founders Mr. Ayush Kumar Lohia and Mr. Jose Miguel Villegas, FADA has taken up this issue and is requesting intervention of the PMO and Allied Ministries.

Due to the plagued relationship between the owners, it has caused huge losses to dealers and has exposed them to unwarranted litigation from customers for whom, Dealers are the face of the company. Apart from the Business Losses which the dealers are facing with, it has also resulted in creating a bad name in their society and has therefore added to their plight and mental harassment.

FADA would want to solve this issue amicably as it has done in previous two cases of OEM's exiting India. But failing to get any response from UML, there may be no other alternative but to take the final recourse including civil and criminal proceedings.

----- End of Press Release -----

About F A D A India

Founded in 1964, Federation of Automobile Dealers Associations (F A D A), is the apex national body of automobile retail industry in India engaged in the sale, service and spares of 2/3 Wheelers, Passenger Cars, UVs, Commercial Vehicles (including buses and trucks) and Tractors. F A D A India represents over 15,000 automobile dealers having 25,000 dealerships including 30 Associations of Automobile Dealers at the Regional, State and City levels accounting for 90% of market share in India. Together we employ over 2.5 million direct employees and another 2.5 million as indirect employees, making it a total of ~5 million people in the country at dealerships and service centres.

F A D A India, at the same time also actively networks with the industries and the authorities, both at the Central & State levels to provide its inputs and suggestions on the Auto Policy, Taxation, Vehicle Registration Procedure, Road Safety and Clean Environment, etc. to sustain the growth of the Automobile Retail Trade in India.