



One Nation | One Association

FEDERATION OF AUTOMOBILE DEALERS ASSOCIATIONS

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CIN U74140DL2004PNL130324

FOR IMMEDIATE RELEASE

Press Release from FADA on Ford India's Announcement

9th September'21, New Delhi: The Federation of Automobile Dealers Associations (FADA) today released a Press Statement on account of Ford India's shocking announcement.

Commenting on Ford India's Announcement, **FADA President Mr Vinkesh Gulati** said, "The Auto Retail fraternity is really shocked to hear another US Auto Major, Ford India's announcement where it has said that it will shut down production with immediate effect. While trying to handle Dealer anxiety, Ford India President & MD, Mr Anurag Mehrotra called me personally and assured that they will adequately compensate Dealers who continue to offer vehicle service to customers. Though this is a good beginning, it is not enough as there are **~170 Dealers** who in-turn have **~391 outlets** and have **invested ~Rs 2,000 Cr** for setting up their dealerships. While Ford India employs 4,000 people, **Dealerships employ around 40,000 people** without displacing them from their home locations thus being continuously skilled and up-skilled all this while.

Ford India Dealers currently hold ~1,000 vehicles which amount to ~Rs 150 Cr via inventory funding from reputed Indian Banks. They also carry Demo Vehicles which are 100's in numbers. Moreover, Ford India also appointed multiple dealers until 5 months back. Such Dealers will be at the biggest financial loss in their entire life!

FADA has been requesting Governing of India to roll out Franchisee Protection Act as due to its unavailability, Auto Dealers are not adequately compensated like their counter parts in Mexico, Brazil, Russia, China, Indonesia, Malaysia, Japan, Italy, Australia, Sweden and many other countries, where this law exists. After General Motors, Man Trucks, Harley Davidson, UM Lohia and multiple fly by night Electric Vehicle Players, Ford India is the 5th biggest exit from Indian markets since 2017.

Parliamentary Committee on Industry in its report number 303 which got released in December 2020 had recommended Ministry of Heavy Industries that the Government should enact the Franchise Protection Act for Automobile Dealers in the country, so that it is a win-win for both, the Auto Original Equipment Manufacturers (OEMs) as well as the Auto Dealers, but will also be beneficial to customers in the long run."

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



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About FADA India

Founded in 1964, Federation of Automobile Dealers Associations (FADA), 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. FADA India represents over 15,000 automobile dealers having 26,500 dealerships including multiple Associations of Automobile Dealers at the Regional, State and City levels representing the entire Auto Retail Industry. Together we employ ~4 million people at dealerships and service centres.

FADA 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.