

FOR IMMEDIATE RELEASE

FADA concludes 4th Auto Retail Conclave - 'Success Through Synergy'

- FADA launches Model Dealer Agreement & Inaugurated the FADA Academy
- FADA Delhi & Delhi Government signs Memorandum of Understanding

New Delhi, September 13, 2022: The Federation of Automobile Dealers Associations (FADA) hosted the fourth edition of the Auto Retail Conclave today on the theme of 'Success Through Synergy'. The conclave witnessed the presence of automobile industry stalwarts from Indian and global automobile Manufacturers, along with over 300 dealer members from across the nation.

Under the leadership of **FADA President Mr. Manish Raj Singhania**, the conclave witnessed the launch of the much-awaited "Model Dealer Agreement (MDA)." The new draft agreement visions to offer level playing field for OEMs and Dealer partners, in addition to further extending the responsibilities towards the end customers. FADA research studying over 100 global and Indian OEM- Dealer Contracts before coming up with the draft and visions enactment of the Auto Dealers Protection and proposes a Model Dealer Agreement to keep the agreement balanced.

The Conclave was inaugurated in the presence of our distinguished Guests, **Mr. Vinod Aggarwal, President Elect, SIAM, Mr. Sunjay J Kapur, President ACMA, Mr. Arvind Kapil, Country Head-Retail Assets, HDFC Bank, and Mr. Amar Jatin Sheth, Treasurer FADA.**

Hon'ble Guest, Mr. Vinod Aggarwal, President Elect, SIAM, acknowledged the significant contribution made by the dealer community in the auto industry since their existence, said, the dealer community has been the extended face of the brand for the customer. It is our privilege to work closely FADA and complement each other's assets. Since the Indian Auto industry faced a lot of ups and downs caused due to inflation, less supply and high fuel prices we are confident to witness the recovery of the industry. During last year, the growth has been particularly observed in domestic sales of vehicles. Thus, we are yet to reach the peak level of 2018 – 2019 but we have already reached in the pre pandemic level in most of the automotive sectors.

Apart from this we are looking forward to step ahead for a new phase of growth in the industry, the recovery of the industry has been in the hands of auto OEMs and automobile dealers, who further plays an integral part.

Hon'ble Guest, Mr. Sunjay J Kapur, President ACMA, said, component is an important part of the automobile ecosystem and we are committed to offer our OEM dealer partner will the best ease of supply of accessories. We have seen strong sales over the past few months and anticipate breaking non-covid global records. We have also had erratic supply and logistical difficulties,

which have led to problems with a scarcity of semiconductors. Recognizing the impressive resiliency displayed in the face of difficulties, the dealership sector is anticipated to transform into the mobility sector. Globally, the EV industry has had rapid expansion, and the use of digital platforms is also well-liked. Given that the pandemic has forced us to operate in a hybrid manner, it is practical to support WFH to facilitate improved performance. Public awareness and road safety initiatives should both be emphasized.

Welcoming all the members from the entire automotive ecosystem at the Auto Retail Conclave, **Mr. Manish Raj Singhania said**, *“Dealerships have been a responsible and credibly integral part of the automobile industry ever since its existence. On behalf of the dealer community, I wish to assure our OEM partners & customers that as a community we are entrusted to serve each of them to the best of our abilities, and the industry will strive to offer all customers a unique buying and ownership experience every time they visit a dealership. This year, we are thus extremely delighted to present two of our very intelligent verticals: FADA GenX, a vertical for the future generation of auto dealers, and Women in FADA, which encourages female entrepreneurs who run any department of dealerships to join FADA.*

The launch of "Model Dealer Agreement (MDA)" marks a significant turning point for the community. The model dealer agreement will provide a level playing field to both the dealer partner and OEMs in addition to giving them a significant amount of confidence towards a long-term association and an exciting future. Since the auto dealership industry requires significant capital investment and it takes dealers 4-5 years to break even. It is imperative that our agreement safeguards and create a balance between OEMs and Dealers since they are both crucial components of a single ecosystem. In addition to boosting dealer and OEM confidence, a stronger dealer agreement would instil a sense of increased accountability for both parties towards the end users. A bigger contribution to the growth of the economy in the form of capital investments & job creation would come from the amount of confidence that MDA instils in the sector. Without relocating them, the auto dealer community currently employs more than 4.5 lakh people directly and indirectly; improved business confidence will boost this number.

The Model Dealer Agreement is a document that FADA strongly advises OEMs to consider since it is intended to maintain all parties equally responsible for their obligations and to advance the auto industry and the consumer ownership experience. In order to protect Indian car industry & customers from any uncertain & abrupt exits from the country or business, we also require the Indian government to introduce Auto Dealer Protection Act.”

Mr. Singhania further added; *India sells around 2 crore vehicles annually, with the 2W market accounting for over 70% of sales, totaling 1.4 crore vehicles. These cars are subject to a 29% effective tax rate that is made up of 28% GST + 1% cess. Indians desire to own a car, but the 2W product is more of a need than a pleasure. We look forward to advocating for a reduction in the GST rate from the current effective rate of 28% to 18% to all the states and the GST Council members. As a result, all parties involved will gain from the rise in car sales. Therefore, 2-Wheeler industry in India, which is in decline for several reasons, including rising product prices, high fuel prices, rising cost of ownership, etc., will benefit from this action.*

The conclave witnessed a series of sessions with industry abled leadership sharing their views & vision for the sector & its challenges. The key Power Panel discussion were on **Perfecting Supply & Demand** followed by **Dealer Satisfaction Study – Hits & Misses**

Panel 1: Perfecting Supply & Demand

The Supply and demand imbalance has been a concern for the industry for quite some time now, the efficient industry leadership panelists' discussion on many scenarios that demonstrate the necessity of refining the supply and demand curve, each of the segment and variant is witnessing a unique challenge. Higher supply than demand in 2W ICE, lower supply than demand in ICE PV and 2W Electric. This has significantly impacted the opportunity. The efficient panelists gave recommendations and suggestions on how to maintain a healthy inventory, consistent market research to be done to gage the demand cycle, etc.

The editor of Autocar India, Mr. Hormazd Sorabjee, moderated the panel, which includes Mr. Ashutosh Varma, National Sales Head, Hero MotoCorp, Mr. Ravneet S Phokela, Chief Business Officer, Ather Energy, Mr. Sabyasachi Chakraborty, National Head Sales (2-Wheelers), Greaves Electric Mobility, Mr. Shashank Srivastava, Executive Director, Maruti Suzuki India, Mr. Tarun Garg, Director - Sales, Mktg & Service, Hyundai Motor India, Mr Vikas Pandey, Executive Vice President, HDFC Bank, Mr. Yadvinder Singh Guleria, Chief Commercial Officer, Royal Enfield, Mr. Soham Misra, State Chairperson, FADA West Bengal.

MoU Ceremony between FADA Delhi and Delhi Transport Department

To make the ownership process easier, FADA Delhi and the Delhi Transport Department signed a Memorandum of Understanding. Since FADA and Delhi Transport are collaborating to implement numerous measures, including easy verification, paperless registration, offering a unique ease of vehicle ownership to the customers. The Minister and Secretary state Transport are working closely with FADA to improve the entire consumer experience.

The ceremony took place in the presence of **Mr. Kailash Gahlot, Hon'ble Minister of Transport & Environment, Govt of NCT of Delhi, Mr. Ashish Kundra, Principal Secretary-cum-Transport Commissioner, Transport Department, Govt of NCT of Delhi, Mr. Om Prakash Mishra, Special Commissioner Transport- Road Safety, Transport Department, Govt of NCT of Delhi, Mr. Manish Raj Singhania, President, FADA, Ms. Garima Misra, State Chairperson, FADA Delhi**

Panel 2: Dealer Satisfaction Study 2022 (DSS'22) – Hit & Misses

The panel discussion on the Dealer satisfaction Study 2022, a project launched by FADA and PremonAsia, will analyze and debate the ease of expanding a business as well as other initiatives undertaken by OEMs.

The panel will be moderated by **Mr Sumant Banerji, National Editor, LiveMint** and leading industry expert will participate such as **Mr Hardeep Singh Brar, Head - Marketing & Sales, Kia Motors India, Mr Rajeev Chaba, President and Managing Director, MG Motor India, Mr**

Sanjeev Kumar, Head- M&HCV, Ashok Leyland, Mr Satinder Singh Bajwa, Sr. Vice President Head - Sales and Customer Care, Mahindra & Mahindra, Mr Sharvik Shah, State Chairperson, FADA Rajasthan.

Women In FADA

FADA has developed a programme to support women in the auto sector that will encourage them to look at potential opportunities. Highlights of the effort will be presented by ***Ms. Garima Misra, Chairman of Women in FADA and State Chairperson of FADA Delhi.***

FADA Academy

The dealership industry employs over 4.5 lakh people directly or indirectly without having to relocate them. To revitalize and further strengthen the automobile industry with efficient and abled manpower, FADA initiates a vision to providing the industry with some trained & skilled labor to the auto industry, FADA established the **FADA Academy**. The Inauguration program was launched by the ***Chairman, Academy & Research, Mr. Vinkesh Gulati.***

Dealer Satisfaction Study 2022 Presentation of Awards

An award ceremony was conducted to honor the winners of FADA's Dealer Satisfaction Study - 2022. Earlier a study was done by FADA in partnership with PremonAsia, a consumer-insight driven consultancy & advising organization located in Singapore. The survey data was disseminated across industries & categories on a pan India basis, spanning a broad geographical and OEM brand. The felicitation categories of OEMs earning the prize include 2W; CV; PV (Mass); PV (Luxury); and crème de la crème.

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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.