

# We may consider quadricycles: Enfield

Nandini Sen Gupta | TNN

He bet big on his heritage motorcycle brand when no one was willing to give it a second chance. Today, Siddhartha Lal, MD & CEO, Eicher Motors is in the enviable position of seeing his business predictions come true. In a chat with TOI, he discusses strategy, the future and more. Excerpts:

**BMW has recently announced its tie-up with TVS with a focus on 250-500 cc motorcycles. Is Royal Enfield (RE) looking for a similar partnership?**

There's always room for collaboration in some form. Five years ago we were looking for a partner because our future was unsure. Today we are doing exceedingly well as we are. Margin-wise, we are among the most profitable automobile companies in the world. We have young customers in emerging markets and there is



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EICHER MOTORS

**What's the product line up for the near future like?**

We have three product families – Bullet, Classic and Thunderbird and all three are pulling their weight. Bullet caters to the traditional semi-urban customer, Classic to the urban, diverse background and Thunderbird to the young-Bangalore type rider. The Continental GT, due for launch this year, will be our next big growth engine. It uses the same engine family but upgraded to offer 535 displacement. Earlier RE's core customers were from semi-urban markets in Punjab and Kerala but now our biggest markets

are unbound potential. We have no need to get anyone from outside – we have technology, we have our brand...all we need to do is reinvent ourselves to become a true global player. We know our brand is strong, the mid-size motorcycle market is underserved and we have the capability to invest. We are generating much more cash than we need and we have Rs 650 crore of cash surplus in Eicher Motors. Ten years ago, when we were investing tiny amounts into RE, people thought we were investing good money after bad but now we're investing good money after good money.

are the big cities – Chennai, Delhi, Mumbai, Pune, Bangalore and Kolkata – which contribute over 50% of our sales. In Chennai alone we have 7 dealerships.

**Will RE get into quadricycles?**

If the norms are good we might consider it.

**How badly has the slowdown impacted your truck business Volvo Eicher Commercial Vehicles (VECV)?**

We are working towards an entire revamp of our range and over the next 18 months our entire portfolio will be replaced from 5 tonners to 49 tonners and buses. Our heavy duty trucks are powered by Volvo's global engine platform which is being made in Pithampur. We're already sending trial production of engines to the Volvo plant in France and by 2013 end, commercial production for Volvo's global supply chain would begin. Our aim is to change the dynamics of the game.