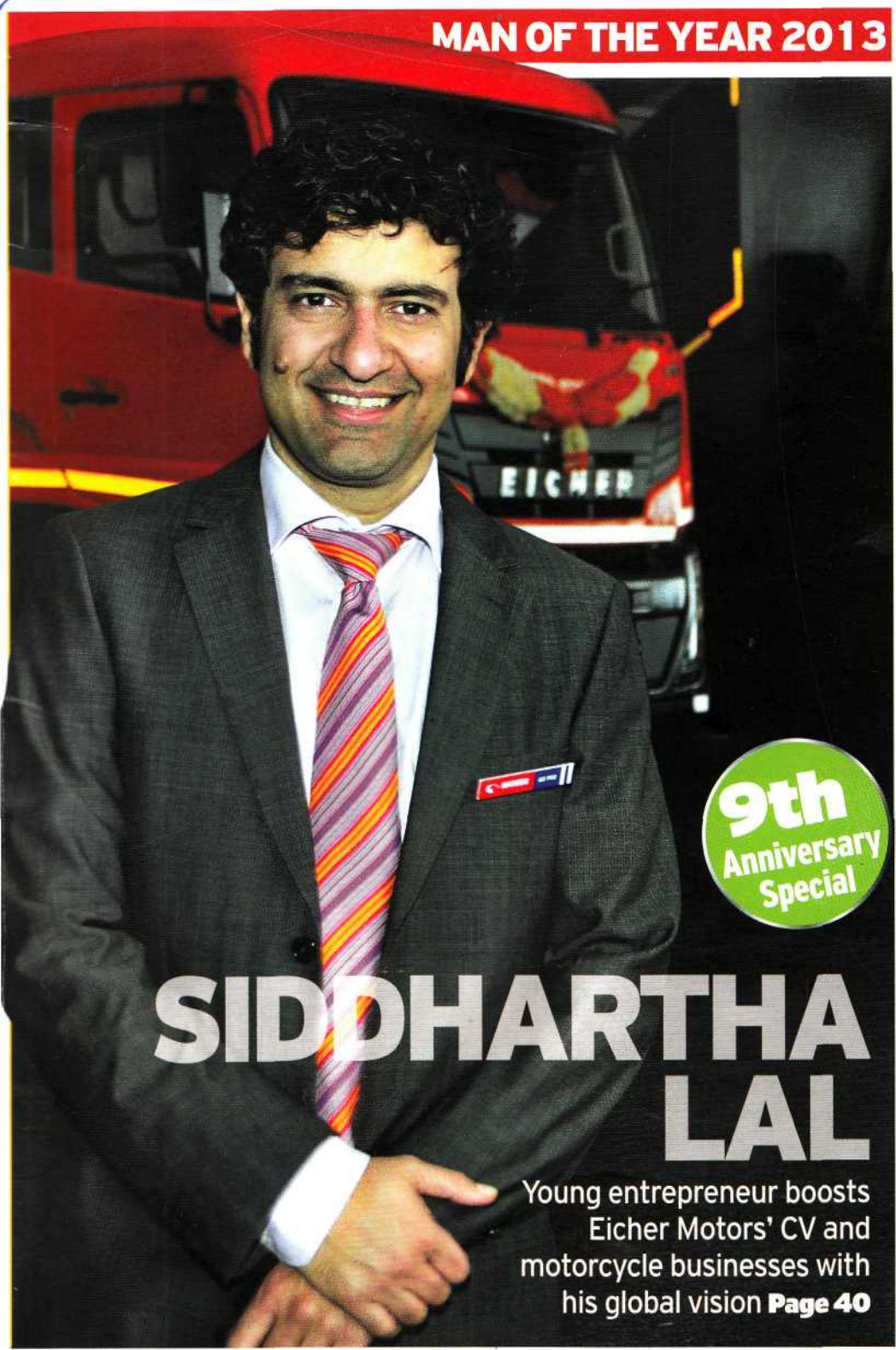


MAN OF THE YEAR 2013



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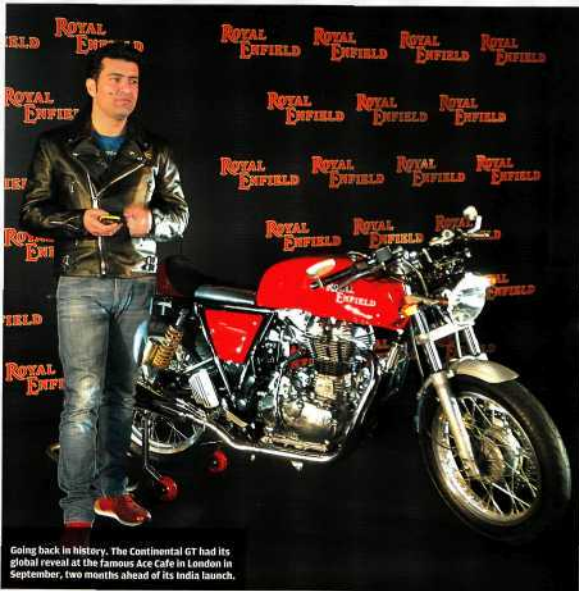
SIDDHARTHA LAL

Young entrepreneur boosts
Eicher Motors' CV and
motorcycle businesses with
his global vision **Page 40**

Man of the Year 2013

SIDDHARTHA LAL

It's been a decade of change at the Eicher Group's businesses and the results are now bearing fruit. Siddhartha Lal has led the Group to take some bold steps to secure for itself a successful future. The recent launch of the premium Continental GT and the new range of CVs and engines by Volvo-Eicher under the Eicher brand are indicators of Eicher's ambitions. Sumantra Barooah gets an exclusive peek into Eicher's vision for its businesses in a wide-ranging conversation with its MD and CEO.



Going back in history, The Continental GT had its global reveal at the Famous Ace Cafe in London in September, two months ahead of its India launch.

The Pithampur engine plant, inaugurated in August 2013, is the first sourcing base for Volvo Trucks outside Europe.



Partners for Progress: L-R: Joachim Rosenberg, EVP, Volvo Group Trucks Sales & Marketing and JVS, Asia Pacific, Vinod Apparwal, CEO, VE Commercial Vehicles; Siddhartha Lal and Philippe Gervy, senior VP, Trucks Joint Venture India, at the unveiling event of the Eicher-branded truck and bus range.

This year hasn't been the best of years for India's auto sector, a year some may say that's best forgotten. But that doesn't mean there was absolutely good news at all. Ford India, which was looking for trail-blazing success like the Figo S, found it in the EcoSport. Honda's Amaze has increased footfalls at its showrooms and its motorcycle subsidiary moved up a few notches in the pecking order after the launch of two commuter bikes.

Then there is Eicher Motors, which has demonstrated the results of a smart and ambitious strategy in two very different segments of the auto industry. On one hand, it has reoriented its focus to nurture global demand for its motorcycle business with the Royal Enfield Continental GT – its most expensive model to date – that promises a good blend of classic and modern, and on the other hand, Eicher's promises made after signing a joint venture with Volvo five years ago, have been physically delivered in the form of a new range of trucks aimed at consolidating Eicher's position in the medium truck market as well to challenge the big names in commercial vehicles.

This move paves the way for Eicher to be a brand for emerging global markets, fitting in with Volvo's global multiple brand strategy. These are the results of multiple groups coming together and looking at the global scene as their playing fields. For that strategic planning and implementation that went into this, we chose Siddhartha Lal, managing director and CEO, Eicher Motors, as *Autocar Professional's* Man of the Year 2013.

November 2013 saw Royal Enfield launch its latest motorcycle, the 535cc Continental GT, a modern classic which oozes the classic 'café racer' design appeal of the 1960s and incorporates modern technology. This is a milestone for Royal Enfield, all the more so because not too long ago the iconic bike-maker was struggling. Around the middle of the last decade, it had considered taking on a strategic partner to secure its future. But things didn't work as planned. Looking back, Siddhartha Lal, MD and CEO of Eicher Motors, says, "It is probably for the good that it didn't work out for us."

Interestingly, Royal Enfield, which now claims to have achieved international quality in the Continental GT, was scouting for a partner less than 10 years ago "more from a technological aspect, not as much from the brand aspect."

'THE PRO RANGE WILL PAVE THE WAY FOR EICHER TO BE A BRAND FOR EMERGING GLOBAL MARKETS, FITTING IN WITH VOLVO'S GLOBAL MULTIPLE BRAND STRATEGY.'

With the new Pro range, Eicher's ambition is to be a key player in emerging markets across the world. The range also includes a 49-tonner (in red), a first under the Eicher brand.



From a company saddled with old models, struggling with quality issues and lacking a clear vision to one which now has global ambitions, Royal Enfield has come a long way. "We are now amongst the most profitable automotive brands in the world and probably one of the fastest growing auto brands in the world now among two-wheelers," says Lal confidently.

Since 2010, Royal Enfield's revenue has seen 50 percent year-on-year growth. It's been "much more" on the profit side. During the last quarter, its parent company Eicher Motors' standalone operating margin has been a little over 19 percent, its highest ever. Eicher Motors' standalone operations include Royal Enfield. For a group, which is also facing fierce headwinds in its truck business as a result of the slowdown, Royal Enfield is playing a solid role in ensuring Eicher's good financial health. The growth in revenue and profitability has had a positive impact on the R&D and product development.

When it comes to products, Royal Enfield has drafted its gameplan for at least till 2020. Understandably, Lal doesn't reveal it all but gives us an insight. This plan consists of differentiated products within the "pure motorcycling sphere but that will be timeless in their appeal". "The Continental GT is one manifestation of that. Only when we believe we can address a totally different segment is when we will introduce another model," says Lal. Given the niche positioning of Royal Enfields, the lead time to develop one may take longer than regular bikes. The Continental GT was four years in the making.

MOVING AWAY FROM THE PAST

Over the past few years, Royal Enfield's quality levels have been climbing rapidly. The Continental GT is the best it has reached in terms of quality. Critics aver that though some of its models have polished the brand further, they also suffer from some quality issues. If the Continental GT and the company's claims are any indication, the complaints may well be a thing of the past. "The type of failures we see are very very insignificant compared to what we used to see earlier," Lal says emphatically. "We used to have large piston barrel failure issues in

the early lifecycle. No more now," says Lal. Now, in addition to the drop in faults, there has been a significant rise in the company's response to faults. "We figure it out (the problem in the bike), we bring it back, we understand if it was a one-off, was it systemic, was it a supplier? So, it is a Japanese methodology to try and find out where the problem occurred and immediately put a band aid and immediately after that resolve it permanently," Lal adds.

Lal is also finding partners with expertise in certain areas to make his bikes more attractive. For example, while developing the Continental GT, Royal Enfield roped in British engineering firm Harris Performance. The firm says in its website that it is the only UK manufacturer to officially design, develop and manufacture race bikes for Yamaha and Suzuki for Grand Prix and World Superbike races.

EXPANDING HORIZONS

With the new Continental GT, Royal Enfield's has not only got its most powerful engine, but a new vision for its parent as well. Eicher Motors is now keen to play the game globally. The top management has now decided that at the global level, midsize bikes will be its domain over the next 10 years. This is a market - above 250cc and below 750cc engines - pegged at 800,000 units. This year Royal Enfield may clock around 200,000 units. Lal says his company can grow five-fold

ROYAL ENFIELD HAS DRAFTED ITS GAMEPLAN TILL 2020. IT CONSISTS OF DIFFERENTIATED PRODUCTS WITHIN THE 'PURE MOTORCYCLING SPHERE BUT TIMELESS IN THEIR APPEAL'. THE CONTINENTAL GT IS ONE MANIFESTATION OF THAT.

or 10-fold. In India, Royal Enfield enjoys a near-monopoly in the SIAM-classified segments it falls in. Of the 124,385 bikes sold in the above 250cc and less than 800cc segment during April-November 2013, 120,865 units were Royal Enfields. KTM and Kawasaki are the other players in this slot whose target customer is different.

A DIFFERENT WHEEL GAME

Clearly, Lal's passion for motorcycling has influenced the business that he has turned around. But while he's at the helm of that, for the Eicher Group's other key business - commercial vehicles - he takes the back seat. Because Lal believes passionately in specialisation,

"I had to pull out of the VECV (VE Commercial Vehicles) businesses". Vinod (Aggarwal) has now specialised in the VECV business. Is it on his board, work and support him but he runs that business." Lal gave up his position of MD and CEO of VECV and continues to head the board as its chairman. But as MD and CEO of Eicher Motors, he struck the deal with Volvo in 2008 to set up a 50:50 joint venture which was also another milestone for the 40-year-old automotive engineer-entrepreneur.

Now starting February 2014, the Eicher brand will be seen in a new avatar as VECV rolls out, in a phased manner, a dozen new products under the 'Pro' series. The joint venture has so far invested Rs 1,800 crore towards 'revolutionising Indian trucking'. Another tranche of Rs 700 crore is to be invested in 2014. All investments are being made by VECV from internal accruals. Eicher is now gunning for an ambitious 15 percent share (up from five percent) in the heavy duty segment that is dominated by venerable names like Tata Motors and Ashok Leyland by 2016.

The 49-tonner under the Pro 8000 series is one of the new products that VECV will launch towards that objective in mind. Volvo's influence in the new range is evident from the exterior design as well as other aspects as fit and finish and their production processes have also been upgraded.

With the new range, Eicher aims to strengthen its position in the medium CV segment where it has a 30 percent market share.

Since the start of the joint venture in 2008, the company has doubled its annual sales volume. In the 5-to-40-tonne segment, its share has grown from 7.8 percent in 2008 to 13.8 percent currently. The promises made during the start of the JV are beginning to manifest in physical form now. "Earlier, people used to say 'Credibility is great but where is it physically in the product?' You see it in the product, our cabins, our engines and our technology now. We have borrowed tremendously on technology from the Volvo Group and localised it. We have made it relevant to India," says Lal.

The unveiling of the new range on December 2 came only three months after the Group inaugurated an engine plant in August this year, which is also a global engine sourcing base for Volvo. The Euro 6-compliant diesel base engines are being supplied to Volvo Europe for final assembly for Volvo Group requirements. The same platform is being adapted to Euro 3 and 4 engine (BS III/BS IV) technologies to meet the Eicher requirements and other Volvo Group requirements for this type of engines in Asia. All credit to Lal for this deal that made Volvo step outside of Europe to source engines.

Like the motorcycle business, Eicher is also in an enviable position in the commercial vehicle business. "Our balance sheet is stronger than any other truck company in India today because ours is no debt (company), our business model works

EICHER IS GUNNING FOR AN AMBITIOUS 15 PERCENT SHARE (UP FROM FIVE PERCENT NOW) IN THE HEAVY DUTY SEGMENT THAT IS DOMINATED BY VENERABLE NAMES LIKE TATA MOTORS AND ASHOK LEYLAND BY 2016.

brilliantly, in a sense that even in the downturn, last quarter we had a 6 percent EBIT margin which is much better than all our competitors," says Lal. A strong balance sheet and a long-term business model are what give VECV the confidence to make a remark that no one "is even a decade close" to VECV, in terms of the business model. Lal feels that the company has set up a robust business model that will ride over challenges and grow. "Can we challenge number two and number one? Of course, we will do that," says Lal, exuding a challenging attitude.

In the bus segment, VECV has improved its market share from 5.7 percent in 2009 to 13.7 percent (YTD October 2013). While the bulk came in from its traditional light and medium duty segments, heavy duty bus sales have also grown. It bagged new business from state transport undertakings with orders of 1,100 and 600 bus chassis from the STCs of Gujarat and Andhra Pradesh. Now with a new plant set to go on stream in 2014, the bus business will get a fillip. Its initial capacity of 7,500 units will be scaled up to 15,000 units in the next few years.

NEW BUSINESS

What we are seeing today is the fruit of some hard restructuring that the Eicher Group undertook in the early 2000s. It exited some of its businesses, the most prominent being the tractors business that was sold to TAFE. And chalked out revival plans for Royal Enfield.

Now under Lal's leadership, Eicher Motors will enter a new segment in 2015 through the 50:50 joint venture with Polaris of USA. Siddhartha Lal says the vision for the partnership is "to succeed in creating a new segment in India." Will it enter the quadricycle segment? Lal "can't say" anything on it.

From motorcycles to trucks, and another 'personal transportation segment' that is coming up, Lal is indeed a busy man. With each of these businesses at crucial points of varying degrees, the Eicher Group definitely has re-invented itself for 21st century India. So life begins at 40, and Lal is ready to play ball in a changing and dynamic India.

● Interview with Siddhartha Lal, p44

'There's nothing that we do short-term anymore.'

In an exclusive interview with **Sumantra Barooah**, Siddhartha Lal talks about the marked evolution of vision in both Eicher's commercial vehicle and motorcycle businesses that is paying dividends.

Doesn't the actual game start now, in terms of physical delivery of the promises made while setting up the joint venture with Volvo?

All the building blocks are in place. We have got absolutely by far the best manufacturing in India today and absolutely world-class Japanese level quality. That was the starting point. We have a distribution of 274 physical points right now, over 300 mobile points plus hundreds of container workshops. That is the foundation. So, just with the foundation alone, we have been able to improve market share. In addition, we now have an all-new product range.

We have got the full new philosophy in a sense of the professionalisation of Indian transportation. Our service offering, packages, distribution, sales points and training, all of that has now gone through a radical change with the launch of this new series.

Eicher now becomes an integral part of Volvo's multi-brand strategy globally. That gives you a unique advantage in terms of dipping into the combined positives of Swedish (Volvo), Japanese (UD) and French (Renault) brands, doesn't it?

Absolutely. Our objective and vision was extremely clear even before we started the joint venture. We were sure that we are not petty people, either Volvo or Eicher. We don't care about making one rupee more or one rupee less as individual parent companies. Both of us always have had the habit of putting in more for the JV to make it very successful. That has been our aim. There's nothing that we do short-term anymore.

Of course, we have usual short-term targets and sales targets. But all decisions are made towards 'Can this help us in achieving breakthrough in Indian trucking? Can it help us take Indian trucking to a different place altogether?' Because we had that way of looking at things, that is where you see the best of both worlds. We have European, American and Japanese cultural elements coming in. We have the Indian element coming in very strongly as well. All of that comes together and it's really on a best principle on a pick-and-choose basis.

So that gives you the confidence to say you are a decade ahead of others, business model-wise?

The model that we have created has not happened by accident, it has happened by design. So, once you start becoming the most profitable, the fastest growing, the most influential, the one that's moving the market, which is all of what all we are, that's when you say, "Okay look, can we challenge No. 2 and No. 1?" And we will do that. But all of that comes from the strength

of the company that we have created which is that we don't do anything in excess. We make sure that we invest and get the benefit of every single rupee invested.

The main trucking environment has happened in one campus (Pithampur) and 100,000 production capacity will eventually come out of that one campus. We don't want to be spread out in 10 different places because we believe that if you concentrate your energies, what happens is that the processes, the people, the supplier base, the economies of scale, the quality.

What has helped the company achieve a strong balance sheet, especially in such tough times?

We had a lot of surplus cash. The entire idea was when there is a time when we need to continue to invest, we would. We had these huge programmes of industrial and product investments which are happening. But the market is falling sharply and there's always cash flow problem for all companies. So, the JV partners and the management had the foresight to set ourselves up for a future where even if the situation happens, which it did, we will be able to continue to invest because we are looking at the long term. The usual knee-jerk reaction of people cutting investments is because the market is down. We aren't thinking like that as we believe in the Indian market. So we continue to invest.

Our entire investment in this Pro series of trucks and buses, the new engine line, new paint shop and new assembly line went according to, or ahead of, our plan. We even accelerated some of our investments. The same goes for our distribution. Our warehouse and dealerships are absolutely on track because we had the financial muscle to continue to plough in enormous amounts of cash in a time when the market was retracting and pulling back.

So when the market rises again, which it will happen at some point, we are again in a very strong position to get that inflection.

With the Pro series, Eicher will expand its range to enter the 49-tonner segment for the first time.

Do you have plans for trucks under five tonnes?

Right now we are entirely focused on maintaining and improving our position in the light and medium duty segments. We have a very strong 30 percent share in

that segment. We now have the Pro 1000 series which will enhance that. But we have the Pro 3000 series which is the new range of medium duty trucks which is the 2.1-metre cabin, the new 3.8-litre engine. That is going to take mid-distance trucking to a totally different level. We are going to push much harder on light and medium duty which is 5 tonnes and above right now.

Then, the heavy duty market. From a revenue and profit point of view, heavy duty is number one globally. And if you see futuristically, where do markets go? Heavy duty becomes the most important part of the market. Volvo is going to be the number one heavy duty truck manufacturer in the world. It has the capability and competency of heavy duty. We are learning and adapting and we are sure that we want to become number one in heavy duty. We do want to mess with smaller trucks and all of that at this point. Once we become number one or once we become the best company in heavy duty in India, then maybe we can have this discussion about going below 5 tonnes.

With the Volvo association, Eicher's global aspirations also get a leg up, right?

Our long-term idea for the Eicher brand is to be an emerging market player. What we see in the 5-8 year horizon, is, of course South Asia, India, Nepal Bangladesh and Sri Lanka which are extremely important to us. Beyond that are Africa, Middle East, South East Asia. These are the next circle of influence we are looking at. We are already present in a few markets but our approach to international markets is substantially different now. The Pro series has been designed with a (new) perspective.

Previously our products were Indian trucks that we tried to sell internationally. But now the entire orientation is towards global markets.

On the other hand, Volvo is supporting us tremendously with its very strong distribution in Africa, Middle East and in South East Asian countries. There we are already working on using its distribution network to enter into all of these markets where we want to gain a very meaningful place. So, it's not about selling 500 or 1,000 trucks. It is about getting 10, 15, and 20 percent market share in each of these countries that we enter.

'IT'S NOT ABOUT SELLING 500 OR 1,000 TRUCKS. IT IS ABOUT GETTING 10, 15, AND 20 PERCENT MARKET SHARE IN EACH OF THE COUNTRIES WE ENTER.'



Shifting the subject to motorcycles, you recently launched the Continental GT which marks a new phase for Royal Enfield, like the way the Pro series does for Eicher, doesn't it?

Absolutely. In a different way, because the Pro series now is really, if you see in the Go Pro idea, the foundation for 15 years to come for the Eicher brand. The trucks series you see now is 12 different products, ground up new. So, it totally marks our future. You know our future direction now.

On the Royal Enfield part, the Continental GT is a very significant single product. What it marks in a slightly different way is our switch from being an Indian player, primarily, to our horizons now being in a global domain. You haven't seen Royal Enfield's product plan for the next 10 years like you have seen in our Eicher range. What you have seen is our orientation.

Royal Enfield is amongst the most profitable and fastest growing automobile brands in the world now, certainly in two-wheelers. That means that with that strength we have been able to gain financially, technologically, in manufacturing. We have also been working very hard on understanding on what is our brand promise in motorcycles. We want to create a type of motorcycling which is very different from any other brand.

We believe that the world motorcycle market had polarised into smaller and heavier motorcycles but it will now start converging to midsize motorcycles. And there is also our entire idea is that in emerging markets where people are, already like in India where we have seen that if you have a very good option, if you have an interesting motorcycle people will upgrade.

In developed markets, where there has been an excess of speed, price, power, weight and ungainly, what has happened is that a lot of the bigger and sportier bikes have become unapproachable. We want to bring motorcycling back to the uncomplicated, hands-on, genuine experience where it is not so much about technology as much as it is about having great fun. It is about unimimidating motorcycles which don't cost you the earth.

Could the Continental GT spawn a new range of products?

That was always our intention. We launched the Thunderbird over 10 years ago and then we launched the new Thunderbird in 2012 and created a new category different from our Bullets. And we did it successfully. Clearly, the Continental GT takes it to a different level which is a sporty bike but it is a classic sport, not conventional sport.

The Continental GT comes from a brand which less than 10 years ago was looking for a strategic partner to be competitive in the business. From that stage to now, it has come a long way. How did the turnaround happen?

Certainly at that time we were looking at, and had intentions to get in someone, more from a technological aspect not as much from the brand aspect. We always wanted to control the brand always; so probably for good that it didn't work out for us.

Our idea was always that even though in the early 2000s there was no market for midsize bikes for India, we were very clear that we wanted to create that market. It took us a decade. We plugged it, made the

Modern blast from the past. Striking-looking Continental GT café racer promises to strike the right balance between fun motorcycling and affordability.



RISHAD COOPER

'OUR AMBITION NOW IS TO GLOBALLY BECOME THE NO. 1 PLAYER IN THE MIDSIZE MOTORCYCLE MARKET. IF WE HAD SAID THIS SIX YEARS AGO, WE WOULD HAVE BEEN LAUGHED OUT OF THE ROOM!'

product and the distribution better. We did everything we thought was the right thing and the right steps not knowing when and what will happen eventually. We didn't know there will be an inflection like there was.

In 2010, fortunately all the things collided. The Classic happened and like the trucks but with the backdrop of a better manufacturing, better quality, a better distribution, a better reaction time. A product is required to stimulate the customer but if the next-level factors like retail network and quality are not in place, he's not going to buy your bike. There also we put all the building blocks in place over 10 years. In 2010, we hit the ramp. But now what we are doing is, because we need a position of strength now, we have invested tremendously.

We will have over 300 dealers by the end of 2013 and we have by far the best premium motorcycle distribution in the country today. We have over 95 percent share of the above 250cc market in India because we created it, we are the ones there and that's what our value is in the market today.

You have been doggedly pursuing this dream. When did Royal Enfield turn profitable?

I can't remember the exact year that it turned profitable

because during the 2000s there were a lot of years when it was plus, minus but it was always on the margins. It was 3, 4, 5 percent. It was always just about head above water. It was not exciting but it was not burning cash. Let's put it that way. We didn't make any huge moves. The only big move we made eventually was the UCE engine. But it was all within our affordability set. Then of course, with the Classic and everything else together in 2010, we hit a big ramp.

Over the last three years, it's been a 50 percent growth year-on-year on the revenue side. It's been much more than that on the profit side. So, what was maybe 3, 4, 5 percent or maybe slightly higher is now, at last count during the last quarter we hit 19-odd percent in EBIT margin. We are now at the top of the heap. What that affords us is the ability to invest in new platforms and new geographies, strategically.

We are now very convinced that there is a global market for the type of motorcycling we are evangelising in some sense. We are going after, one by one, many individual global markets to make a strategic presence there and become a No. 1 or No. 2 player in the midsize motorcycle segment of each of these markets.

Our ambition now is to globally become the No. 1 player in the midsize motorcycle market. If we had said this six years ago, we would have been laughed out of the room! But now we are already 200,000 units in a 800,000 unit market. That is 25 percent of the market. Yes, we can have the ambition of becoming a No. 1 player. But to add to that, the 800,000 doesn't excite me because I think the midsize market has been underserved. That 800,000 is the size of the global midsize motorcycle market today of above 250cc and below 750cc bikes. I think that market, with the type of stuff we are doing and perhaps maybe other people will also do, can grow five-fold, even ten-fold.

We have decided, like we have in India, even when there was no market for bigger bikes in India, at a global level that midsize bikes over the next 10 years is our domain.



Engines of growth. A medium-duty Eicher engine at the modern Pithampur plant which also produces Euro 6 base engines for export to Volvo in Europe.

Which are the regions where you think Royal Enfield's products will find takers?

In motorcycles, we split the world into two – the richer countries and the emerging countries. In the former, the UK is our beachhead. That's where our brand comes from, that's where we have a lot of salience, and want to put in a lot of energy.

What we feel is that strength in the UK will transform into strength in Europe, USA, Japan and Australia. That becomes a beachhead for our strategy in richer countries. We expect these markets to become very important markets for us but they will not be the biggest volume drivers. The volumes will come from India-like markets. Even more advanced markets than India – Latin America and South East Asia – where the per capita income or the motorcycling habits are even more advanced in some sense. Just as we have been able to upgrade the commuting base in India from commuter bikes to midsize bikes and more evocative and fun motorcycles, we think the LatAm and South East Asian markets are ripe for that kind of upgradation. So, our future product strategies, market investment and brand strategies are all focused on these types of markets.

The UCE engine, many say, hasn't addressed all the quality issues that Enfield bikes have had over the years. What do you have to say in response to that?

Quality perception in people's minds takes time to catch up. The UCE compared to our old family of engines is far better in terms of fault frequency, in terms of failures. Now, every mechanical product in the world, whether it is ours, Japanese or anybody else's, has some failures. It could happen for several reasons. It's difficult to predict that. But what we have learnt from the Japanese systems, we have been able to match the matrix in terms of fault frequencies, in terms of failures and all other things. Both internal company matrix and, most importantly, customer failure matrix. We have benchmarked and are at par with the best in the world.

So the type of failures we seeing are very, very

'WHATEVER WE DO, WE DO EXCEPTIONALLY WELL. THAT IS THE ONLY CRITERION. WHETHER THE TRUCK OR MOTORCYCLE BUSINESSES, WE ARE THINKING OF THE NEXT 20, 25 YEARS.'

insignificant compared to those before. Earlier, we used to have large piston barrel failure issues in the early lifecycle. Now we don't have those kind of issues. We are extremely close to the market. We figure it out, bring it back, understand the exact reasons for the problem. I think we are up there in terms of quality processes in the world and our product is also showing that now.

When you talk about the global aspirations of the Royal Enfield brand, how will you tackle global biggies like Harley-Davidson and Triumph?

There will certainly be more intense competition. It will precipitate quicker because of our growth and success but we are not at all worried about that because we are trying to create what we believe is very different. There is place for many other motorcycle companies, many other brands and other styles of motorcycling. A lot of the players you are talking about represent different styles of motorcycling. If somebody's really interested in our style of motorcycling, they will come to us.

What would be the way forward to build the business through retail, merchandise?

We will certainly move into contiguous areas which

helps our customers experience this pure motorcycling. There is space for gear – bike and rider apparel, accessories – all of which is also underserved.

We are coming out with a range, which is really attuned from a motorcycling perspective; it is small now but will be large next year. While a large chunk of our range comprises very heavy pieces with full armour et al for very hardcore riders for long-distance travelling, a lot of our riding range is what we call 'urban protection'. It means that it offers you a level of protection but it's good for urban wear. On the motorcycle, it offers better protection.

Royal Enfield is not so much about the numbers game, but how often would you like to come out with a new product?

The way each of our four product lines is thought through and designed is that from day one, they must be timeless in their appeal. The way we also looked at the Continental GT is that when 20 years from now if a young person sees it he says: "Wow, this is really nice". So, when we look at it from that lens, it means that we don't want to have a revolution, we want to have evolutionary models.

By when do you think you may have to add more production capacity? The waiting list continues even as you ramp up production.

We are advancing our production capacity increase ahead of the original schedule. As we announced in April when we started this new facility, we wanted to make 150,000 motorcycles in 2013. Then we talked of producing 175,000 units. We will go slightly ahead of that this year. We are looking at how to go further than the 250,000 units planned for next year. It is also about our supplier capacity. Above all, we must also maintain our quality levels.

On a personal note, what drives you?

This is the age of specialisation, not diversity. Those surviving with diversity are because there has been some protection or other things so far.

Our current two main operating businesses are absolutely independent. I pulled out of the VECV businesses because we needed specialisation. And Vinod (Aggarwal) has specialised in the VECV business. Within motorcycles, we are extremely specialised. Everyone has aspirations. But I don't care about revenues and all of that and being in 50 different areas and being king of everything.

What I want to do is, as in life, whatever we do, we do exceptionally well. That is the only criterion. We should be willing to take a very long-term position. So whether you look at the truck or motorcycle businesses, we are thinking of the next 20, 25 years.

Do you have any role model, any motto that you live by everyday?

I take inspiration from a lot of people, a lot of industries or companies and non-companies. I think you can pick up inspiration from any conversation – from a *chaiwala* or from the biggest companies in the world.

When your mind is working towards one goal, everything that you touch can give you some insight into what you want to accomplish. Anything which is done well can be a part of the inspiration. So, there's no single role model. ■