

Eicher rides on Enfield sales, registers 41% jump in profit

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Chennai: Royal Enfield is kicking its global gameplan into action by ramping up its R&D facility in UK, developing new platforms for global products and expanding its international footprint beyond traditional markets like UK, Europe and Australia to cover Latin America and South East Asia.

Eicher Motors MD and CEO Siddhartha Lal will relocate to UK for a year to better coordinate the company's efforts to be a world player in the mid-size motorcycle market spanning the 250 cc-750 cc range.

Riding on Royal Enfield sales, Eicher Motor announced a 41% jump in net profit at Rs 221.8 crore in the second quarter as against Rs 157.4 crore in the corresponding quarter last fiscal. Revenue rose to Rs 2,916



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crore, up 30% compared with to Rs 2,245 crore in the same quarter last fiscal.

“We would like to be global motorcycle player in the next decade, playing in the 250-750cc or midsize segment and the two new platforms that we are developing are also in that range,” said Lal.

The company will also “experiment” with new “retail formats” in addition to the Royal Enfield gear stores it is setting up across the country. “We now have 7-8 smaller format gear

stores in addition to our dealership network right now and these are typically in higher footfall areas like malls etc,” said Lal. “We would like to experiment with new formats where we may have F&B and other options. If they work we will scale up.

This is mainly a provision for the future,” he added. The company, which is currently at 38,000 units a month capacity, is still battling a 4-5 months waiting period for its motorcycles even as new orders pour in. “The waiting period will come down as we ramp up and we should hit 50,000 by December 2015,” said Lal.

“Our full capacity in the two Chennai plants is 60,000 units per month and once we hit that we will commission plant 3 in Chennai. The Chennai tech centre should be ready in 2016,” he added.