

Royal Enfield rolls out first product from Oragadam plant

BS REPORTER

Chennai, 30 April

Royal Enfield, a division of Eicher Motors, today rolled out the first two-wheeler from its new facility in Oragadam near Chennai, the company's first facility in 60 years.

The plant was built in a record time of 11 months.

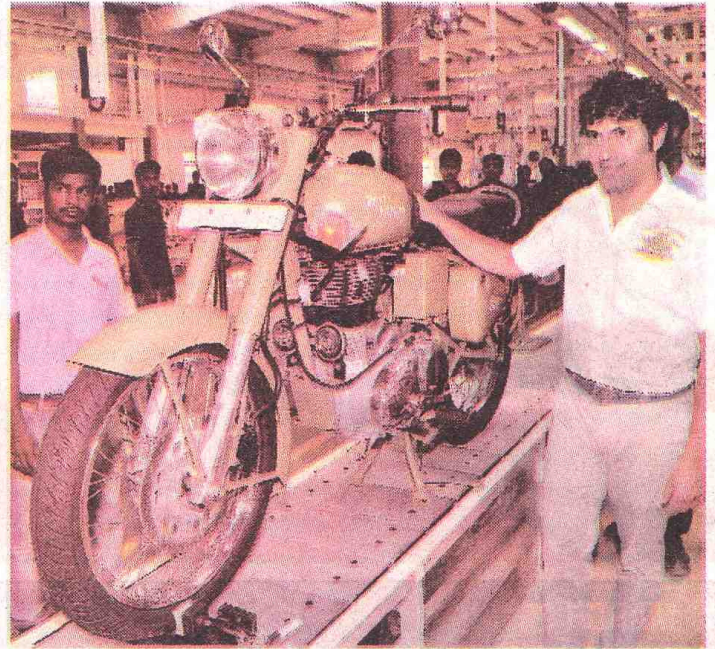
The company has said this year, the combined production capacity of the Tiruvottiyur and Oragadam plants would be 1,75,000 units; this would be

increased to 2,50,000 units next year.

Siddhartha Lal, managing director and chief executive of Eicher Motors, said for the company, the Oragadam facility was a crucial step towards meeting its global ambitions. In the last two years, the company reported growth of about 50 per cent.

Lal said despite stretching the capacity in the 60-year-old Tiruvottiyur plant, demand had outpaced supply. Therefore the company had conceived the new facility on a large tract of land and created a master plan to eventually increase production to about 5,00,000 units a year. "If demand continues at the current level, with the help of the new plant, we can bring down the waiting period to six to seven months, against the current eight months," Lal said, adding in the first phase, the investment in the plant was about Rs 150 crore.

The ability to increase capacity at a quick pace was a crucial step for Royal Enfield,



Lal said. While the company is adding new models and dealerships in the Indian market, it is also working on building a global presence. "Higher investments in brand and distribution, as well as new products that are very appealing to international markets are going to be the key for us to

achieve global leadership in the mid-size motorcycle category," he said.

Currently, the company has 265 dealers and is adding five to six dealers every year.

Last year, the 250-500 cc market in India was estimated at 1,20,000 units; Royal Enfield sold 1,13,000 units.