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Royal Enfield Starts Output at Oragadam

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Royal Enfield, the maker of iconic cruiser motorcycle Bullet, has got itself a new home in Oragadam, Tamil Nadu. Spread across 50 acres, the 1,50,000-unit plant began commercial production on Tuesday. With a state-of-the-art modular structure, the assembly line can churn out one Royal Enfield a minute.

With this new capacity coming on stream, Royal Enfield is aiming to produce and sell 1.75 lakh units in 2013, and take it up to 2.5 lakh units by 2014. Last year, the company sold 1,13,000 units, and it has grown by over 50% over the last couple of years.

The current plant in Tiruvottiyur, which is one of the oldest automobile plant in the country, will support the new plant by manufacturing engines and giving finishing touches to the models.

 Siddharth Lal, MD & CEO, Eicher Motors, said the company now has the ability to scale production quantity quickly in response to market demand. The new facility, with an initial investment of ₹150 crore, can be expanded to an annual production of over 500,000 a year, Lal said.

"The ability to increase capacity fast is a crucial step for Royal Enfield towards meeting our global ambitions. While we are adding new models and new dealerships, we are also working on building our presence globally. Higher investments into brand and distribution, as well as new products that are very appealing to international markets, are going to be key for us to achieve global leadership in the mid-size motorcycle category," emphasised Lal.