

Royal Enfield's second plant on stream

Staff Reporter

CHENNAI: Royal Enfield, on Tuesday, kick-started commercial production at its greenfield manufacturing facility at Oragadam near here. Consumers hoping for a reduction in waiting time on some of the company's models, however, will be left disappointed.

According to Siddhartha Lal, CEO and Managing Director of Eicher Motors, the waiting period was unlikely to reduce drastically over the next year, mainly due to a mismatch in demand and supply. Eicher Motors owns Royal Enfield.

The 50-acre Oragadam facility will eventually have a capacity to churn out 500,000 motorcycles a year.

The first phase of the project had seen an investment of Rs.150 crore into the facility.

Last year, the company produced 1.13 lakh motorcycles. With the new facility, the combined production is expected to touch 1.75 lakh units this year.



Siddhartha Lal, Managing Director and CEO, Eicher Motors, at the rollout of the first motorcycle from Royal Enfield's new manufacturing facility at Oragadam, near Chennai on Tuesday. — PHOTO: BIJOY GHOSH

The company has, in the meanwhile, begun working on the second phase of expansion at the new plant, which will further increase production capacity to 250,000 motorcycles in 2014.

"Our target for next year is 2.50 lakh units, with this plant being a nucleus for our global ambitions. We now want to become a global leader in the mid-sized market," said Mr. Lal, while

Begins work on the second phase of expansion at the plant

addressing reporters here. "Despite experiencing a difficult period during the 1990s, we stuck to our guns. Now over a decade later registered a 50 per cent growth year-on-year," he added.

The second plant would initially begin with the production of Desert Storm and Thunderbird vehicles. By the end of the year, the company expected to produce the entire range, including the Bullet and Classic, he said. Construction of the facility began in February 2012. Trial production began in January this year. Royal Enfield already has a plant in Tiruvotriyur near here. Pointing out that the U.S. was the largest export market for Royal Enfield, Mr. Lal said that last year the company shipped about 3,500 units to the country out of the total 1,13,000 units sold.