

Enfield to scale up annual production

BANGALORE: Cruiser motorcycle major Royal Enfield on Tuesday announced its aim to ramp up production to 500,000 units per year following the commencement of commercial production at its new manufacturing facility at Oragadam in Tamil Nadu.

Rolling out the first motorcycle from the Oragadam facility, Eicher Motor Managing Director and Chief Executive Officer Siddhartha Lal said: "Royal Enfield has witnessed huge surge in demand in the recent past, recording a growth of over 50 per cent for each of the last two years. We have been extremely successful in stretching the capacity of our existing 60-year-old

plant to record levels, achieving production of over 12,000 motorcycles in the month of March 2013. Yet the demand for our motorcycles has continued to outpace supply."

"We have conceived of this new facility on a much larger tract of land and created a masterplan that can take the eventual production here to over 500,000 per year," Lal added.

Spread over 50 acres, the Oragadam plant currently has an installed production capacity of 150,000 units in the first phase. An initial investment of Rs 150 crores has been made towards its construction that will enable it to produce the full range of Royal Enfield motorcycles. With the speedy execution of the first phase of the

plant, Royal Enfield revised its production target upwards in 2013—to 175,000 motorcycles from both plants.

Even as it started commercial production on Tuesday, it has already begun working on the second phase of expansion at Oragadam, which will further increase production capacity to 250,000 motorcycles in 2014.

"With the new facility, we now have the ability to scale our production quantity quickly in response to market demand," Lal said.

In addition to increasing capacity, the Oragadam plant consists of a new CED paint shop with a painting capacity of 600 motorcycles a day. Further, a robotic painting system

and powder coating system have also been added. At the same time, processes such as pin-striping continue to be done through craftsmen who lend that special human touch to each motorcycle.

The vehicle assembly line at Oragadam has several features like ergonomic assembly work stations, torque controlled tools with feedback device and a capacity of producing one motorcycle a minute, or over 800 per day in two shifts.

Talking about Royal Enfield's plans, Lal said, "While we are adding new models and new dealerships in the Indian market to fuel growth, we are also working on building our presence globally."

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