

# Royal Enfield to Set Up 3rd Plant in TN, to Double Capacity by '18

**New Delhi:** Royal Enfield, the two-wheeler arm of Eicher Motors, plans to set up its third plant in Tamil Nadu to double its motorcycle production capacity to around 9 lakh units per annum by 2018.

The company is already in the process of raising production capacity at its two plants in the outskirts of Chennai to 4.5 lakh units per annum by the end of this year.

Eicher Motor's board, which met today, accorded in-principle approval for additional capacity creation at Royal Enfield. "The board has approved to set up third plant at Vallam Vadagal in Tamil Nadu. It will even-

tually give us total capacity of 9 lakh units per annum by 2018," Eicher Motors Managing Director and CEO Siddhartha Lal told reporters here.

The additional capacity will primarily come from the first phase of the new plant, the work on which would begin early next year, he added.

When asked about the proposed investment in the plant, Lal said the company would finalise the amount during its board meeting in February next.

On new products, he said the company will launch two new models, based on new engine platforms. "One model would be launched early next year and

the other one in 2017."

The company, which sells various popular models like Bullet, Classic, Thunderbird and Continental GT, also plans to expand its sales network in the country.

"By the end of the year, we plan to have 500 dealerships across India in a single unified retail identity," Lal said.

Besides, the company is also looking to expand its presence in the international markets. In the last quarter, Royal Enfield had taken some significant steps as part of its growth strategy of leading and expanding the mid-sized motorcycle segment (250-750cc) globally.