

## Bajaj Auto Commissions New Plant at Pantnagar, Uttarakhand Highlights

*Greenfield plant adds 1-million motorcycle capacity; commences Platina production; Minimalistic Plant to represent lowest cost manufacturing facility of global quality*

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Bajaj Auto Limited today inaugurated its Greenfield Plant with a planned capacity of one million motorcycles per annum at Pantnagar, Uttarakhand. Built on a total area of 65 acres with the balance 155 acres allocated to the vendor cluster, the Pantnagar facility would be Bajaj Auto's fourth Plant & first Plant outside Maharashtra. The unit has a plant area of 40,000 sq mtr and will employ 600 line engineers who have been trained at Chakan for 3 months.

In a pioneering manufacturer - vendor partnership, the Bajaj Auto Pantnagar Plant will be supported by manufacturing facilities of 16 auto component vendors in the immediate proximity. A part of the land area allocated to Bajaj has been taken up by vendors to set up dedicated facilities to ensure seamless integration with the mother Plant resulting in phenomenal manufacturing efficiencies.

These cluster suppliers will meet 75% of the component requirement of the new Plant. They would be operating as the extended factory of the core Bajaj Auto mother Plant. Systems and processes would make this unit the ultimate 'lean' unit in terms of manufacturing efficiency. All supplies from shops and suppliers will be on e-Kanban. The Pantnagar Plant is a compact focused manufacturing facility, which despite being the lowest cost production unit would adhere to the highest global quality standards. This new manufacturing concept is expected to yield 10 times the productivity of other comparable 2-wheeler units.

This partnership will see manufacturing and supply of Key components including Speedometers from Pricol, Front Fork and suspension from Endurance, Lighting systems from Lumax, Plastic and Electrical components from Varroc, Control switches and Ignition systems from Minda group and frames from JBM, in the vicinity of the new Bajaj Auto Plant.

Another landmark has been broken in terms of the investment required to create a plant with a capacity of 1 million vehicles annually. Bajaj Auto has directly invested only Rs. 150 crores in this new manufacturing unit for an investment cost of merely Rs.1500/vehicle, a benchmark perhaps unequalled elsewhere. This will enable one of the shortest payback periods for any Plant globally.

The current Plant built up on 30 of the 65 acres retained by the company has a planned capacity of 1 million units, which can be progressively expanded to 3 million vehicles.

This Plant would be completely independent of the other three manufacturing Plants of the company. As such, the Pantnagar Plant is the proving ground for this new focused manufacturing concept, which could then be carried over to international markets in the future as well.

Mr. Rahul Bajaj, Chairman, Bajaj Auto who inaugurated the plant said, 'We wish to compliment the Uttarakhand State on its excellent investment environment. This is our first manufacturing foray outside Maharashtra, with the best of manufacturing technology and processes. I am proud to inaugurate this new plant which sets new benchmarks in automobile manufacturing.'

Bajaj customers will now also enjoy the Excise and Income tax benefits from the new Pantnagar Plant, which coupled with superior production efficiencies enables the company to aggressively re-price the Platina. The Bajaj Platina is now available at Rs. 33,000/- ex-showroom as against Rs. 36,000/- earlier.

Said Mr. S Sridhar, VP (Marketing & Sales), Bajaj Auto, 'These new standards in manufacturing efficiency together with the incentives for new investment in Uttarakhand has enabled Bajaj Auto to reduce the cost of production and offer even better value to its customers. The best-selling Bajaj Platina, which has already sold seven lakh bikes, post its April 2006 launch, will be the first product to roll out of our new Pantnagar plant. This additional capacity will enable us to meet the demand for the Platina.'

Added Mr. S Sridhar, 'Over 50 per cent of our domestic two-wheeler sales comes from the northern and eastern regions. Our Pantnagar plant will also enable us to faster meet the needs of our customers in this region.'

Bajaj Platina offers a phenomenal value package for two-wheeler consumers, with its 108 kmpl mileage and a 4 years extended warranty, apart from some great features including a superior SNS suspension, premium Chrome Graphics & Alloy Wheels.  
For further information

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Rajat Chandihok / Lalit Pandey  
9810175728 / 9818806924  
Sampark Public Relations Pvt. Ltd

**For more information, Please contact:**

**Lalit Pandey**  
Consultant - Sampark Public Relations

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