

# Corona eyes expansion with new Prestige range

The coaches offer higher earning potential for operators, says **Eliot Lobo**.

**T**he corona is the outermost layer of the sun's atmosphere, visible to the eye as a halo during a total solar eclipse. For Shridhar Kalmadi, the pioneer in the construction of chassis-less, self-supporting integral coaches, it is evocative of hope. His battle against overwhelming operator indifference and discriminatory taxation has lasted 15 years, but his refusal to give up finally yielded a significant breakthrough recently and positions him to capture a large portion of the growth in the premium segment.

Starting out as Autorola, later renamed Omnibus, under the umbrella of the Pune-headquartered Sai Service Group, of which he is a director, he set up a separate company two years ago called Corona Bus Manufacturers to build the latest generation of hi-deck coaches he and his team have designed. They are based on Neoplan mono-coque spaceframe technology, originally derived from the Transliner N412H of 1980s vintage but perfected to suit the road and operating conditions in India.

Corona has already delivered four Prestige Excel coaches to the Karnataka State Road Transport Corporation and two Prestige Majestik sleeper coaches to KSRTC subsidiaries NWKRTC and NEKRTC. These are part of an order for 32 vehicles to be delivered by end-January 2008. The rest will all be 32-berth sleeper coaches.



**Prestige Majestik is the only purpose-built sleeper coach in India available in 20- and 32-berth configurations.**

## Higher earnings

A KSRTC internal evaluation, the results of which were shown to this correspondent, revealed that during May, June, and July 2007 the Corona delivered higher earnings – of up to Rs 7 per kilometre – than the Volvo coaches operated on the same routes. And this, according to GM (marketing) Santosh Kulkarni, was despite the fact that the route for the Prestige coach was not clearly defined at the beginning, one of the first two Coronas was out of action for 15 days because of an accident, and two more were only added in July after a delay arising out of a late decision to apply for an interstate permit and the consequent registration procedures.

“We are trying to convince operators that the Prestige delivers a better



**Air-sprung driver's seat and ergonomic driving position.**

**The cost of acquisition of a Prestige coach is 60 percent that of a Volvo, the running cost 40 percent, and maintenance cost 50 percent.**

return on investment than any other bus,” Kulkarni says. “Our cost of acquisition is 60 percent that of a Volvo, the running cost 40 percent, and cost of maintenance 50 percent. Compared to all other manufacturers, our cost of acquisition is higher, but the running and maintenance costs are lower.”

He points to a comparative analysis he did based on an actual four-month trial Corona had with the Andhra Pradesh SRTC. “Two AC and two non-AC Prestige Excels were operated in parallel with Volvos and locally-bodied Ashok Leyland coaches costing Rs 27 lakh on the Hyderabad-Visakhapatnam route. With all other parameters the same, I calculated the ROI for each brand at four occupancy levels — 70, 80, 90, and 100 percent.”



For the Rs 58-lakh Volvo, for which the fare charged was Rs 1.10 per km, the ROI was –15, 2, 22, and 39 percent respectively. For the Leyland bus with a fare of 70 paise, the ROI was marginally positive only at 90 percent occupancy and 39 percent at full occupancy. For the Rs 43-lakh Corona, at a fare of 90 paise, the figures were 4, 22, 45, and 63 percent. “It was ROI-positive at the lowest occupancy, and also delivered the highest ROI by far at full occupancy,” he says. QED.

But that wasn't all; even the trip times were comparable to the Volvos. “Our coach took half an hour more than the Volvos and three hours less than the Leylands. In practice, people couldn't tell the Corona from the Volvo,” he says.

The company also has on hold an order for

six Prestige Excels from Parveen Travels in Chennai, which it hopes will be finalised by December. Parveen already operates four of these coaches, on two routes — Chennai–Sivakasi (600+ km), and Chennai–Puniamkulam (500 km).

“On an average, the bus carries three tonnes of cargo on the journey to Sivakasi and 4–5 tonnes on the return trip, in addition to the passenger complement. They normally have 30 or 31 seats booked out of 36, and use the cargo revenue to subsidise the passenger fares,” he says.

Kulkarni lists prominent Bangalore operators as prospective customers — Jabbar, SRS, Sharma, and Kallada. “We’ve also demonstrated the coach to Pai in Belgaum, VRL in Hubli, and Konduskar in Kolhapur. In fact VRL’s chief technical officer said he had not come across such a perfect design anywhere in the country,” he adds.

Asked about fuel efficiency, Kulkarni claims the best figure a Prestige Excel coach has delivered is 4.23km/l and the worst, 3.6. “Our worst is supposed to be outstanding for any other manufacturer. When we started operating with KSRTC, we promised four

Side panels are stretched and bonded to the frame using adhesives. Slits in the side edges of the fibre-reinforced plastic rear modules are for the air intake.



kilometres per litre. We still promise all our customers 4kpl, with no conditions.”

Here, he points out, the driver makes a lot of difference — almost plus or minus 20 percent. That’s why Corona’s expert pilot Parab accompanies every bus that is delivered and stays at the customer’s office for a week, helping select the drivers and train them on the bus to ensure that they are perfect.

“That’s a commitment. We did it for KSRTC, NWKRTC, and NEKRTC, and we’ll do it for any delivery,” says Kulkarni. “Only a driver can talk to a driver in his own language.”

**Corona buses run exclusively on Cummins power and future models could be powered by the ISBe and ISLe electronic engines.**

#### At your service

Service is a vital element in helping build the fledgling brand. Although the company is a very lean organisation with just 65 people, it claims one of the shortest response times to breakdowns or technical emergencies. “Our first reaction is, how can the problem be attended to immediately? If anything can be done locally we do it, otherwise a person goes from Pune the same evening and fixes it the next day,” Kulkarni says.

At present Corona has stationed a senior service adviser in Bangalore and one in Hubli. As the number of buses in Karnataka

grows, he says there will be a person at every district headquarter. “These are technical people who have a tremendous amount of service exposure. We first acquaint them with the technology at our plant here in Pune for two months.”

Operators who have their own workshops are encouraged to send their staff over for training, but the company is also willing to go to them. “We teach them how to handle transmission- and suspension-related problems. If trained well, even a driver can handle any issue that is likely to arise,” he says.

The emphasis on training was a consequence of two episodes on the Bijapur–Bangalore service, when a simple problem with a fuse became more serious after a quick fix at the nearest depot, and a burst pneumatic hose created an unnecessary – and uncomfortable – delay because the driver did not know that there was a back-up that could have been attached in five minutes.

#### Cummins power

Corona offers exclusively Cummins power, and currently fits the 6B5.9 Euro-II engine rated at 160 hp. A move up to 180 hp with



The Prestige Excel has been consistently delivering over 4kpl for KSRTC.



An upbeat Kulkarni believes Corona can make a big difference to coach travel in India.



Cummins' unique mechanical Euro-III engine has been delayed to December because of a supply constraint. Also planned is a CNG variant with the B Gas International rated at 230hp. Future models could be powered by the ISBe and ISLe electronic engines, Kulkarni admits, although those would have to be examined from the cost perspective.

Even a 230hp engine, for example, would require matching aggregates like a retarder, ABS, etc, which all add to the cost. "You have to be in control of costing — there is no point introducing a product that will be competing with cheaper alternatives," he declares. "This market is still price-sensitive. In western countries people look at steady returns over up to five years. In India, everyone wants very short returns and very low prices."

### City buses next

Kulkarni sees good prospects in the urban bus segment next and has been studying tenders floated by the state transport undertakings (STUs) in the last four months. "The STU induction is 90:10 today in favour of interstate buses. Last year it was 86:14. That 14 percent made up by city buses is going to grow to at least 20 percent this year. It's

going to keep going up."

A key driver of this growth in demand is the Jawaharlal Nehru National Urban Renewal Mission, for which transportation is the second most important priority after sanitation for the 67 cities and towns that will be granted funds for various civic requirements. "They have realised that providing efficient public transport will reduce a lot of strain on the roads and environment."

Statistics say 60 percent of the GDP is generated by the 30 percent of the population that lives in cities. "You cannot spend that 60 percent on the rural masses — you have to spend it on the urban masses," he proclaims, adding that with the growth of urbanisation there's definitely going to be a tremendous requirement for semi-low-floor (floor



## BUSES FOR BUSINESS THE FUTURE'S A SLEEPER

**Coaches will always** be Corona's number one product. Kulkarni cites a SIAM report in March 2007 to the effect that the luxury segment is going to quadruple in the next three years: "The current volumes are likely to go up to 8,000 by 2010-11."

He sees the best future prospects for the Majestik, the country's first purpose-designed sleeper coach. "Buses of this type have traditionally been looked at as a configuration on an existing chassis and within an existing bodystyle, but not as a product by itself," he says. One example of this half-hearted approach is the fact that none of Corona's competitors provides two air ducts for the two tiers for sufficient cooling at each berth, he points out. "We've addressed almost all the issues that concern the passenger and operator of a sleeper coach — comfort, economy, and return on investment."



**"By 2012 we would like to have a market share of at least 33 percent in the bus industry. We want to be a force to reckon with."**

**Santosh Kulkarni**  
GM (Marketing)

**The coach starts out with the welding together of the underframe, including the reinforcements for the engine compartment.**

height 650 mm) and ultra-low-floor (330/380 mm), or low-entry buses.

He expects to have a semi-low-floor product ready for the market in 2008-2009, and to be in the business in 2009-2010. Low-entry is next on the agenda. In fact the product roadmap envisages a bus for every segment. This includes minibuses, which accounted for 43 percent of the market last year. "This year in the first three months they are already 49 percent, and are growing at a CAGR of 12 percent, compared to six percent for heavy buses," he says.

Corona has also come up with a 'Garib Rath', which it believes is the ideal vehicle for STUs to make money in a severely competitive environment. This is an air-conditioned standard bus based on the high-deck coach but with none of the frills. Originally conceived for KSRTC, it will be available in a few months' time, depending on when that STU is ready to offer such a service. The key motivator will be what Kulkarni sees is a massive shift from what he calls the bottom of the pyramid. "In Maharashtra it's going to cost 75 paise per km to travel in an ordinary ST bus. Wouldn't you prefer to travel by a better bus for 90 paise?" he asks.

The present one-acre

plant at Lonikand on Nagar Road has a maximum capacity of 300 coaches a year. In 2008-09, construction will begin on a larger facility on 20 acres near the John Deere plant at Sanaswadi further down the road. The initial planned capacity will be 900 buses a year. "By 2012 we would like to contribute at least 33 percent of the bus industry. It's our vision. We want to be a force to reckon with," says Kulkarni.

He says Corona is also open to offering its expertise in constructing integral bodysells to a foreign manufacturer. "But we really don't know how comfortable they will be with us," he admits. In fact, its original technology supplier Neoplan is now a part of MAN Nutzfahrzeuge, whose plans to build buses in India have been put on hold. "MAN, for example, makes thousands of buses. We will at best do hundreds."

Daimler Buses recently announced that it will shortly introduce a coach chassis which will be bodyworked by Sutlej. Kulkarni points out that no foreign manufacturer has been willing to experiment with integral buses in India, although 'fully built' buses from MAN, Neoplan, and Mercedes-Benz are typically of integral construction. ■