

## Luxury buses from Kannappa Automobiles



INFORMATION TECHNOLOGY is only one of the industries for which Bangalore is a hub. This city can claim to be a major centre for another, albeit low profile industry - the manufacture of luxury buses. It is estimated that around 26,500 buses are made every year in the country, of which the luxury segment accounts for 10 per cent and is valued at over Rs. 200 crores. The four southern States account for half of this business, or around 1,200 buses per annum and Bangalore makes nearly 75 per cent of these vehicles.

The leading manufacturer of luxury buses in Bangalore is S. M. Kannappa Automobiles Pvt. Ltd., which commands 30 per cent of the southern [market](#). It makes around 320 buses per year, most of which are luxury vehicles.

This 35 year old company had closed shop in 1988, reeling under a burden of losses, thanks to endemic labour militancy. It was resurrected in 1989 with a fresh set of contract workers (the previous, unionised lot were paid off). There is no union today and the working atmosphere is one of mutual trust and cooperation at all levels. This work culture has fostered quality and productivity.

"We have not looked back since then," says the Chairman, C. K. Naroatham, "with not a single day lost due to industrial strife. We wiped out our previous debts by 1994 and have been making profits since then. We now have an annual turnover of Rs. 25 crores, our order book is full and our buses command a premium in the market, particularly with fleet operators in the coastal areas where corrosion is a problem."

What makes this company's product a cut above the rest? "Over the years," says K. M. Loknath, Managing Director, "we have added a number of facilities and infrastructure that give our products that extra touch of quality.

For example, we phosphatise of all steel sections to enhance corrosion resistance, we have a special painting chamber which keeps out dust, we subject the entire bus surface to a monsoon-like downpour for hours in a special facility to test for any leakage points in the body and the like. The company has a separate design and development section equipped with a computer aided design (CAD) system to make innovative changes and improve aesthetics. Product upgradation, continuous re-engineering and cost cutting are a constant part of our efforts. Earlier it used to take us over two months to deliver a bus. Now we are now able to have a manufacturing cycle time of less than 30 days." The company lays special emphasis on customer satisfaction. "We have followed the policy of giving our customers what they want rather than thrust on them what is available," says Bharat Bhushan Narang, Director. "Scientific price fixing exercise is undertaken in accordance with the specifications and details provided by the customer.

Moreover, our relationship with the customer does not end but starts with the delivery of the vehicle. We take special pains to get direct feedback from our customers and their satisfaction is our top priority. This is why we get a lot of repeat orders from our customers. In fact, 80 per cent of our business comes from 20 per cent of its customers."

With tourism receiving a fillip in the current year's Central budget and several highway projects taking off, passenger road transport is headed for high growth in the next few years. Among the ones who benefit will be the luxury bus makers such as Kannappa Automobiles.

N. N. Sachitanand  
*in Bangalore*