

From MD's Desk



Vivek Juneja,
Managing Director

// The effects of the pandemic continue to be felt across business practices and market dynamics. While the conditions remain challenging and demanding, I am proud to announce that Varuna Group has not only successfully weathered the obstacles posed by COVID-19 but has also thrived in it. In the past few weeks itself, we have covered two important milestones that I would want to share with you:- It gives me immense pleasure to announce the operationalization of our MUF at Shambhu Naka within the scheduled timeframe.

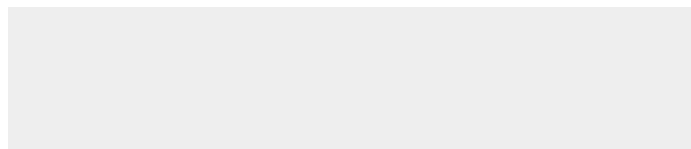
The facility is spread across an area of 4.3 lakh sq ft and is equipped with advanced technology and state-of-the-art infrastructure. With its strategic location catering to the major transport nodes, it is one of its kind in the entire Northern region.

We have expanded our network and have started our services to Srinagar. This extension has come out of a dire need expressed by businesses for an efficient and predictable service for this conflicted region. The service imbibes the Varuna Group's operational excellence DNA which will act as growth accelerator for companies looking to serve this location.

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We have resumed working at the pre-pandemic levels and have collaborated with new and old customers alike to solve some of the most pressing problems in logistics today. Any of our achievements could not be possible without the cross-functional effort, resilience and determination of the Varuna team. Our people continue to inspire us by pushing the envelope in our pursuit of customer centricity and service excellence.

The pandemic is far from over, I urge everyone to follow all precautions and government mandated rules and regulations. Safety and health remains the biggest priority. I also urge people to be kind, just and empathetic to those whose livelihood are deeply impacted by these times. It's the time for all of us to come together and fight collectively in order to emerge stronger and resilient.



Varuna Group News

Stay updated with our latest happenings



Expansion of logistics services to Nepal, Bhutan and Bangladesh

The challenges posed by Covid-19 could not hinder our expansion initiatives - it gives us immense pleasure to announce the start of our transport services to neighboring countries - Nepal, Bhutan and Bangladesh. This expansion was born as businesses continuously faced a dearth of efficient, hassle free and predictable services to these locations. Imbibing Varuna Group's DNA of operational excellence, we are enabling businesses to realize their potential by providing safe and reliable services with complete paperwork and detention management, 100% in transit visibility and industry's lowest transit times.

Pioneering digital LR for safe and efficient transportation: the first step towards contactless logistics

We became the first to initiate the Digital Lorry Receipts in FTL business to cater to the customers hit hard during the COVID-19 pandemic. Working 24x7 in tandem with customers, the multi-talented cross functional team successfully managed to develop and implement this solution in record two weeks. This will ensure improved productivity, greater transparency & visibility, better lead time, and most importantly a healthier working environment with reduced carbon footprint. The journey, has only just begun, plans are underway towards the next step of e-POD (electronic Proof of Delivery) and e-billing for a complete contactless journey.

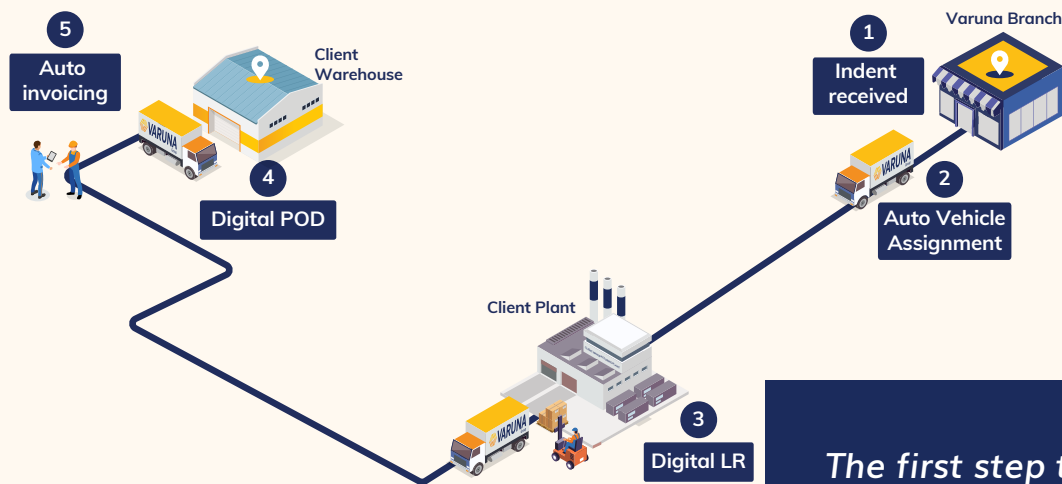


Our flagship Multi user facility at Shambhu Naka is operational now

The world-class facility spread across 21 acres offers a 4.3 lac sq ft of built up area with state-of-the-art infrastructure. Strategically located at NH-44, the facility caters to the major transport nodes, which is one of its kind in the entire Northern region.



Pioneering digital LR in India for safe and efficient transport



The first step towards contactless logistics

Varuna Group paved way for a new era in Indian Logistics sector by being the first to initiate the Digital Lorry Receipts to cater to its customers hit hard during the COVID-19 pandemic.

Working 24x7 in tandem with customers, the multi-talented cross functional team from Operations, Technology and Key Account Management (KAM) successfully managed to develop and implement this solution in record two weeks and have already created 15000 Digital LR's to date.

This step towards contactless logistics will ensure error-free operations, improved productivity levels, greater transparency & visibility, reduced lead time, and most importantly a healthier working environment for all due to reduced touch, along with reduction in our overall carbon footprint.

Our contactless initiatives journey, has only just begun, plans are underway to extend these services to new clients and our teams are already working on taking the next step forward with e-POD (electronic Proof of Delivery) and e-billing for a complete contactless journey.

Lorry Receipt (LR), an undertaking by the transporter to deliver the goods to the destination, is an indispensable part of the transportation process. Three physical copies (driver, consignee and consignor) of the consignment note are passed on by the customer to the driver. Varuna Group fast tracked the development of its roadmap to bring in greater safety and efficiency into the system.

Pivoting towards contactless logistics

The conventional transportation system includes a multitude of paper-based business processes – from handling of the lorry receipt (consignment note) to collection of a paper document as proof of delivery – which is time-consuming, leads to data quality problems and eventually impedes operational efficiency. Contactless Logistics aims to largely eliminate all forms of time-consuming human interventions and automate the entire process to the maximum extent. While digital Lorry Receipt (digital LR) as a concept has existed for many years, there was no actionable solution in sight due to several reasons –

Benefits of contactless logistics

- Error-free operation
- Ensures safety and sanitation
- Greater transparency and visibility
- Reduced transit lead time
- Improvement in productivity levels
- A healthy & safer work environment
- A sustainable practice - reduces carbon footprint

Features of Varuna's digital LR



Easy integration with the customer's existing softwares while uploading data confidentiality & integrity



Industry agnostic service which does not require any specialised technical capabilities at the client-side



Offering training to the relevant teams on the client-side and working closely for the initial period of implementation

Fear of novel technology – Many fear that digital LR will cut down jobs at the ground level.

Apprehensions of redundancy – With well-established manual processes, clients sense that avoiding duplication in the paper trail system is a challenge.

Platform development constraints – It's strenuous to develop a platform that's accurate, time-saving and can be readily integrated into different client platforms while upholding their data privacy.

Varuna Group: Pioneering digital LR in India

Understanding these challenges, we collaborated with our clients in a streamlined and systematic manner and pioneered the right solution in a short span of two weeks during the lockdown period. Here's how we did it

A cross-functional team – We assembled a dedicated 'Contactless Project Team' by selecting key people from Operations, Technology, and Key Account Management (KAM) that worked 24X7 to develop and implement the solution in tandem with the customers. We also deployed a dedicated POC at the customer site for the same.

Using government databases – Earlier attempts at digital LR focused on using a custom API to create lorry receipts. We found a more efficient way by utilising government databases and fetching details from e-way bills to generate digital LR.

Optimising side-by-side with the customer – We worked closely with one of our flagship clients to develop and test the pilot. As a gesture of their immense trust in us, they allowed us to conduct the trials despite the surmounting fear & uncertainty. We took feedback at every step and optimized the solution at every turn.

Scaling the final product – Post the success of our pilot,

we developed a comprehensive 3-day training programme that aided the implementation of digital LR with new customers and at different sites.

Since implementation, we have successfully created 15000 digital LR's so far and this is just the beginning. We are extending our service to new clients and driving the transformation through education, pilots and training.

What is the way forward?

Implementing digital LR is just the first step towards contactless logistics and our team is already working on the next step – an electronic proof of delivery or e-POD, e-signatures and e-billing.

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By automating the routine tasks that run the risks of human errors and delays, these services can result in better customer service and satisfaction. Their adoption not only helps counter the health risks but also addresses the need for a quicker delivery system. They contribute towards making the logistics service virtually contactless and enable end-to-end visibility.

Hear From Our People

The inspiring stories of our people & their life at Varuna Group



SUDHIR KUMAR
HR Manager - Fleet

“The best thing about Varuna is that it takes consistent effort to make every employee feel valued & respected. No policies are made in a closed room.”

A simple man with a kind heart and lofty aspirations, Sudhir Kumar has been managing Varuna's HR operations at the fleet level in Dharuhera, Haryana since 2011. Born and brought up in the same state, he completed his graduation from Rohtak and MBA from Hisar before accepting a role in the HR department of a textile manufacturing firm in 2008. Later, Sudhir decided to make the shift to Varuna and hasn't looked back since.

“I handle the HR operations for 5 fleets and am directly responsible for a 400+ strong team”, he adds. A remarkable planner and a people's person, he is exceptional in his ability to form connections with people from different backgrounds, experiences and capabilities. Taking his vocation to the next level Sudhir has been instrumental in the success of several projects during his tenure. “When I joined Varuna, onboarding formalities used to take 8 days.

We've brought it down to just one day,” he comments. Sudhir has implemented HRMS across all levels - be it a mechanic or a supervisor. He has inspired the adoption of automation & digital systems in the HR department while bringing down the total paperwork to a mere 20%.

“My team members are my greatest motivation. I want to help them hone their potential and grow into inspiring leaders.”

Thoughtful, thankful and thriving:

When one of his team members fell severely ill and had to be hospitalised, Sudhir received a call from the Chairman himself, asking him to ensure that he gets the best treatment and that nothing else matters. He mentions that moments like these come naturally to the people at Varuna because much like a family, they value each other and are closely connected.

We often hear stories of stellar women with influential and driven personalities. One such inspiring employee in Varuna is Rita Joshi. Hailing from Kotdwar, Uttarakhand, and with a Bachelor's degree in arts, she joined Varuna as an auditor in 2013.

Rita's corporate life wasn't a planned choice. Before she joined, she was a committed homemaker and wife to one of Varuna's dedicated branch managers, Pramod Joshi. Her life suddenly took a turn in 2013, she was hit with her husband's untimely demise.

She was then only a housewife, unaware of the corporate industry. Nonetheless, her adamantness on wanting

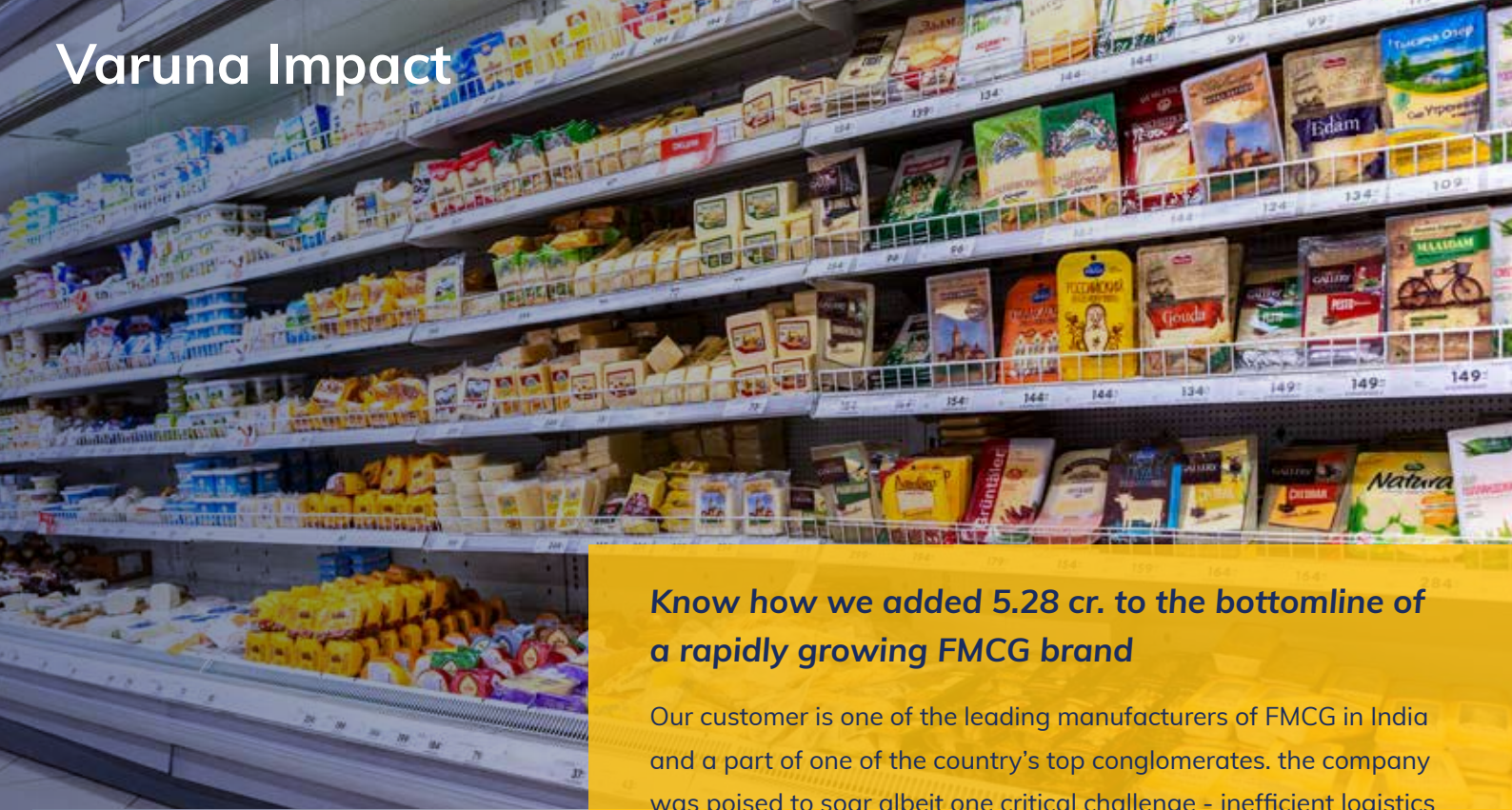
to provide for her daughter, who was just a few months old, pushed her to stand up on her own feet. Rita started as an executive in credit control and etched her way to become a responsible auditor in billing. Her job involves checking bills, assigning attendance to queries and rectifying document errors. She proved her mettle when she participated in a E-mailing competition held internally and stood 3rd pan-india.

Rita has always stood her ground and has politely fought for herself at work. On the other hand, when at fault, she has bravely admitted her errors and gone out on a limb to rectify them.



RITA JOSHI
Credit Control

“Working with Varuna helped me become self-reliant.”



Know how we added 5.28 cr. to the bottomline of a rapidly growing FMCG brand

Our customer is one of the leading manufacturers of FMCG in India and a part of one of the country's top conglomerates. The company was poised to soar albeit one critical challenge - inefficient logistics operations.

Challenges

The company was collaborating with a number of local, unorganised service providers for its primary transportation needs, giving rise to multiple challenges:

- **Absence of a Transportation Hub Nearby Causing Placement Delays**

The company's manufacturing plant is situated in a remote location in Raipur with no transportation hub in close proximity. To resolve this, it hired multiple vendors but even after 72 hours of raising an indent, the company had no guarantee of vehicles being placed. Owing to this, it also had to keep more stock than necessary to ensure uninterrupted supply to distributors.

- **Inefficient Load Optimization Led to In-transit Damages**

While its products should ideally have been transported via a 32 feet multi-axle containerised truck, the company was compelled to work with whatever vehicle the transport services providers were offering. As the company's packages were heavy but non-bulky, the remaining space was often utilised by squeezing a second type of goods for maximum throughput.

The local transporters indulged in fraudulent practices of loading goods from different clients within the same truck which resulted in significant damages to the packages during transit.

- **Higher Transit Times + Operational Inefficiencies = High Working Capital**

As the company was working with unorganized transport services providers, its transit times remained significantly high, adding to the overall inventory carrying costs. Moreover, these associations combined with minimal technological intervention and unskilled team members riddled the company's logistics operations with sub-optimum practices and intensive manual work. This led to a steep rise in the error margin, eventually costing the company a significant amount of working capital.

These challenges were affecting two key growth areas of the company -

- A huge chunk of the working capital which could be diverted towards core functions was being spent on managing logistics operations
- Unable to expand online due to the strict logistics compliance requirements of online aggregators which the current service providers couldn't meet

Solution

In order to tackle rising costs and enable better transportation of shipments with shorter transit times and more efficient operations, we began devising a comprehensive approach and took the following steps:

On-time vehicle availability

We moved our vehicles closer to the company's manufacturing plant and started providing them 3 trucks per day even if it meant that the trucks had to travel empty for more than 500 km to reach their destination to ensure predictable placements.

Identifying the right vehicle fit

As per our solution, we identified 32 feet multi-axle containerised trucks as the only vehicle to be used for the transportation of the client's packages in order to bring down in-transit damages to a negligible amount as well as maximise loadability

Industry-leading transit times with real-time tracking

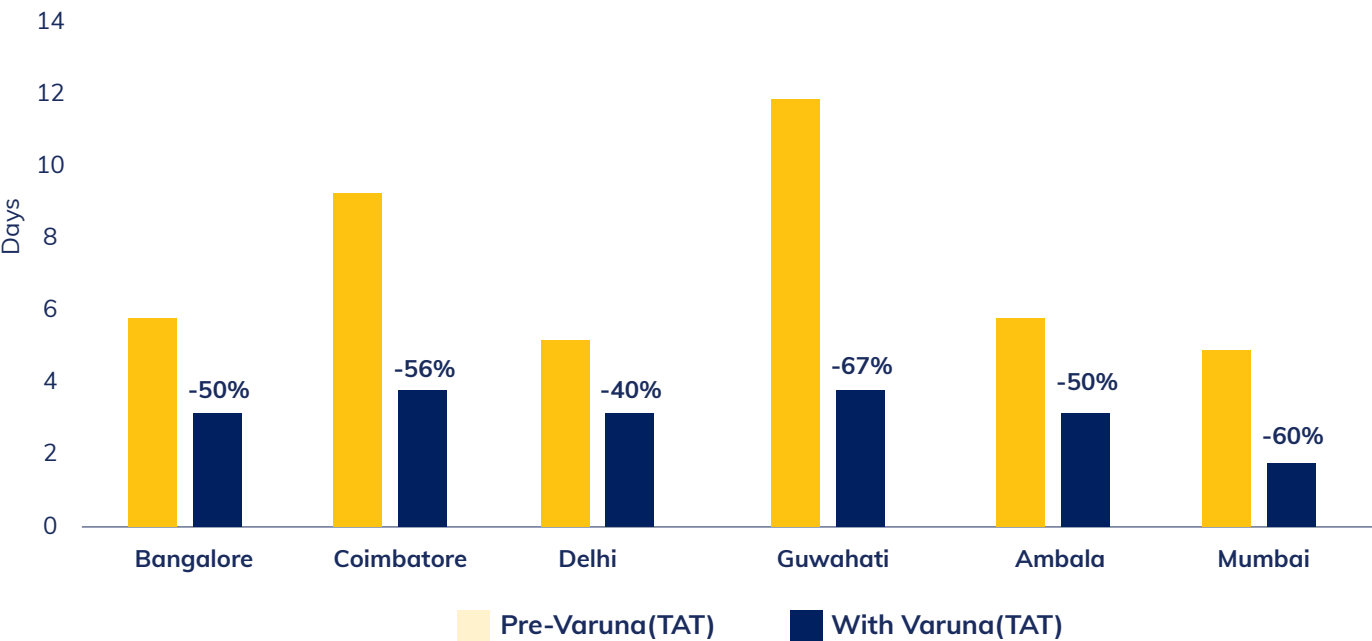
With an operationally excellent DNA, a GPS enabled fleet and a centralised control tower offering complete visibility and transparency , we offered unbeatable transit times along with real-time tracking & monitoring of vehicles.

Through collaboration, continuous monitoring and optimization of operations to solve challenges at each stage, we were able to drive tangible results for the company.

- Reduction in warehousing space resulting in **INR 44,88,000 annual savings**
- 50% reduction in inventory days resulting in **INR 94,58,182 annual savings**
- Reduction in damages and pilferage resulting in **INR 3,65,94,720 annual savings**

	Placement (within 24 hrs)	Inventory in Warehouse (Days)	Damages and Pilferage
Traditional State	70%	Up to 25 days	4%
With Varuna	94%	50% reduction	0.3%

- 50% (average) TAT Reduction resulting in **INR 23,54,104 annual savings**





Operating amidst the COVID-19 Lockdown

When the pandemic was disrupting every industry imaginable, we successfully brought our client's operations back on track with our transparent, predictable and consistent service.

Having a vertically owned supply chain, our client faced an unprecedented demand as the competitor's imports were curbed due to the government imposed lockdown. Though vehicle movement was restricted, manpower was drastically reduced and ensuring compliances related to hygiene and safety became critical roadblocks to getting the product in the market, we were committed to keep our customer's supply chain running and so we did.

- **97% Placement Performance:** The company raised indents for 88 vehicles during the lockdown and we were able to successfully place 86 of them.
- **Reliable Transit Time:** Post 1st of April, we were able to generate the same TAT performance that we had delivered before the lockdown.
- **Contactless Logistics:** To ensure minimum human touch, we pioneered digital LR during the lockdown period to ensure greater workforce safety, error reduction and cost optimisation.

Results

INR 5,28,95,006 annual savings due to efficient, predictable and reliable logistics service.

In one year of our engagement with the company, we have been able to build more efficiencies into its primary transportation setup, enabling seamless coordination, complete visibility and greater savings.

01

Saving Warehousing Cost

Initially, the company had decided to expand its Delhi warehouse from 25,000 square feet to 35,000 square feet. After experiencing our performance, it decided to reduce the warehousing space to just 18,000 square feet. It has also initiated efforts to bring down its Guwahati warehouse space by 30-35%.

03

Optimizing Manpower Cost

The company is now working with a single vendor and raising indents on our customer portal owing to which regular alignments have become systematic & streamlined and manpower costs have been optimised.

02

Saving Inventory Carrying Cost

With an efficient logistics system, the need to carry and store excessive inventory has been reduced by up to 50% from 25 days, saving the company a significant portion of its working capital.

04

Online Growth

Complete alignment with aggregator compliances along with a reliable delivery setup has enabled the company to expand its online presence and boost online sales.