



## From the MD

Dear members of the Sara family,

As we usher in the festivities for the year, we find the economic scenario for both the company as well as the country looking somewhat better.

Our Balkan operations have been producing encouraging results and shipping higher volumes of industrial raw materials. Sara Textiles, even in this competitive environment continues on a steady trajectory. With more emphasis on high quality designs and self-engineered jacquard, the company is covering an increasing number of customers in different international markets. Production challenges have however been a bottleneck in achieving stellar results. Magnum Resources has been working consciously to increasing its customer base in the ISM market. It is the textiles industry that needs more attention and with the current strategy, this market could produce results over the next two quarters.

I personally am more positive than last quarter and am hopeful that in the next six months the group would be able to produce better results both in top and bottom line terms.

During the next three months we will have festivals of Diwali, Guru Nanak Jayanti, Christmas and the New Year. I wish you and your family many moments of enjoyment and happiness during this period and wishing all of you a healthy and prosperous time!

With warm regards,

**D. P. Singh**



*Employee recognition day at Nalagarh plant*

We are kept from our goal,  
not by obstacles, but by a  
clear path to a lesser goal

- Bhagvad Gita

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## Sara International Pvt. Ltd.

### Ores and Minerals

#### Iron ore

Iron Ore prices, both global and domestic, saw a sudden jump in the first half of this quarter, but the latter part of the quarter saw this trend reverse. Australian 62% fines went as high as \$62/MT CIF China and then fell back to \$58/MT CIF China. Indian iron ore fines 58% (low grade) have remained stable in the range of \$37-38/MT FOB India, however exports from West Coast India have been low because of monsoon season.

Talking about inventories, stocks at Chinese ports were up and crossed the 100 million metric tons mark, for the first time in two years. Due to high inventories, it is expected that the market will be under pressure in the coming months with prices potentially set to fall.

On the other hand, import prices of South African lumps 64% grade have increased from \$67/MT CIF India to \$76/MT CIF India. Most of the imports that were coming at the west coast, mainly Kandla Port, have now slowed down since the Gujarat based steel makers have started to buy from India's state owned company NMDC (National Mineral Development Corporation) through the e-auction process. It seems that unless the prices come down, there demand for imported ore in India shall remain subdued.

#### Chrome ore

Steel prices in China have been going up which has led to increase in prices of raw materials like Iron Ore, Coal, Coke, Manganese Ore, and Chrome Ore. Imports of South African concentrates into China are increasing which is also boosting the demand for higher quality lumpy material. Some plants in Inner Mongolia have also started production thereby increasing the demand for imported Chrome Ore. Moreover, stocks at the Chinese ports have remained low, which has further fuelled the price increase. The sheer number of factors contributing to pricing is making that market unpredictable and complex.



*Loading of chrome ore*

The price for South African 42/40 concentrate has already touched \$180/MT CIF and is expected to cross \$190/MT CIF in the next quarter. Similarly, prices of chrome ore lumps 42/40 grade have risen from \$230/MT CIF to \$245/MT CIF within this last quarter itself and is expected to reach around \$255-260/MT CIF levels in the next quarter. Due to such an increase in pricing & demand, material from other non-mainstream origins like Philippines and Zimbabwe have also started to arrive in the Chinese market.

Our volumes for the past quarter crossed 25,000 MTs and we expect to increase this in the coming quarter. However, increasing competition on the origination side is pushing us to rationalize our cost structure and become more efficient.



*Sample collection of chrome ore at the Chinese discharge port*

## Steel & Metals

Steel markets have been under slight pressure during the first two quarters of this calendar year, especially with China facing overcapacity that led to substantial dumping. However the third quarter has witnessed some revival for the industry with Chinese mills having cut production by 5% in order to curb the problem of overcapacity. The demand-supply situation is starting to improve and prices of flat steel have increased by \$10-15/MT during this quarter. Major producers like Baosteel have already starting increasing prices, which has led to bullishness returning in the industry.

Indian steel makers have seen only mild fluctuations in the prices. The Minimum Import Price (MIP) that was imposed in February 2016 continues till date and thereby stopping cheaper imports into India. The anti-dumping and safeguard duties have also been imposed on several steel products in the last month. Major players like Vizag Steel and SAIL have been getting higher bid prices by about \$10/MT for their exports of steel billets/blooms. HMS scrap import prices have also increased from \$205/MT CIF to \$215/MT CIF within a span of two months. Nonetheless, domestic mills still prefer to use Sponge iron that is more cost effective.



*Steel bars being stuffed into containers*

We completed our existing order for carbon steel hexagonal bars to South America and are now focusing on orders for next quarter shipment.

## Coal and Energy

Global coal prices have gone up about 10-20% during this quarter. Australian high carbon coking coal went up from \$95 FOB to \$115 FOB. Similarly, South African coal (RB1 grade) went from \$58 FOB to \$66 FOB. Indonesian coal GAR3800 saw upward movement from \$23 FOB to \$25 FOB. Such prices have been driven by unexpected demand from Chinese mills, whereas on the contrary, demand in India has been moderate during this quarter.



*Coal being loaded for transportation*

India's state-owned miner Coal India Limited (CIL) that had earlier targeted to produce 1 billion tonnes of coal by the year 2020 has taken a backseat as the Government thinks that the Indian economy is not yet equipped to consume such large quantity. The company is already witnessing large unsold stocks lying at its coal yards. The Government has asked CIL to produce only fair quantity of coal in order to match the domestic demand.

Coal markets have been volatile and it has become difficult to judge the future trends. While on one hand prices are going up, on the other hand the demand is going down. We have decided to wait and watch the market movements before booking any new import consignment.

## Sara Textiles Limited

India is now a fast emerging market inching to reach half a billion middle income population by 2030. All these factors are good for the Indian textile industry in a long run even though the global economic crisis seems to be worsening day-by-day

The biggest challenge for the Indian textile industry is competition from the other low cost neighbouring countries (Bangladesh, Pakistan, Vietnam, and Indonesia) and unfair trade support to Pakistan by China and EU with zero duty import. They have been able to give India a run for money in terms of capturing the global market.

**Sept.'16 Market week in New York:** STL had another successful market week in Sept'16 and added a new customer in its portfolio. All visitors appreciated the display as fresh collections were designed for the event. USA remains an important market for the company and focus is on developing the market further.



Sept.'16 Market Week in New York

With the company's continued efforts on developing its human resource initiatives, an employee recognition day was celebrated on 6th September'16 with the Mr. Kailash Tiwari (PPC – Head) having received the award for the month of August'16.

Further initiatives were successfully undertaken at the plant such as:

- “Safai Abhiyaan” on 2nd July to 9th July & 5th Sept to 10th Sept – Focus is on increasing the understanding of cleanliness and its importance in disease prevention and efficiency improvement.
- “Quality Week” - 11th July to 16th July - 'Gunvanta Jaagrukta Abhiyaan' is focused on quality improvements in our products on a quarterly basis.
- “Health Training Program” on 30th July – A health-training program was designed according to a working individual's lifestyle. Focus was on building a healthy lifestyle for the employees at their workplace and outside.
- Plantation Drive on 3rd Aug - STL conducted a plantation drive in line with our focus on being an environmentally responsible corporate citizen. This was covered in Hindi newspaper, “Divya Himachal”.

## भाटिया सारा टेक्सटाइल ने रोपी हरियाली



**बीबीएन** — औद्योगिक कस्बे नालागढ़ के तहत भाटिया सारा टेक्सटाइल लिमिटेड उद्योग में पौधारोपण सप्ताह का आयोजन किया गया। इस आयोजन का शुभारंभ सारा ग्रुप के सीईओ एसएम द्विवेदी ने पौधारोपण कर किया। इस दौरान उद्योग प्रबंधन ने उद्योग कर्मियों के सहयोग से उद्योग परिसर में 200 पौधे लगाए। सारा ग्रुप के सीईओ एसएम द्विवेदी ने कहा कि हर इंसान को अपने जीवन में हर साल एक पौधा लगाना चाहिए, ताकि पर्यावरण स्वच्छ एवं सुंदर बना रहे। इस दौरान उद्योग के कर्मियों ने पर्यावरण संरक्षण की सीगंध भी उठाई। इस अवसर पर डीके सिंह, वाइस प्रेसिडेंट (आपरेशन), प्रदीप शर्मा एचआर हेड, कैप्टन धनवीर सिंह, अरविंद, श्री राम, केडी पांडे, शीशराम, उमेश गुप्ता, विनीत, इंद्रजीत चौधरी ने भी पौधारोपण कर पर्यावरण संरक्षण का संदेश दिया।

**दिव्य हिमाचल** Wed, 03 August 2016  
epaper.divyahimachal.com/c

Plantation news published in Nalagarh newspaper

## Magnum Resources Pvt. Ltd.

MRPL participated in Galleria Intima, held at Crown Plaza, Rohini, Delhi on 5th and 6th Aug'16. Galleria Intima is India's largest sourcing show for intimate apparels. IAAI (Intimate Apparel Association of India) invited top international brands to build their sourcing from India and accelerate the production of intimate wear in India. The show draws 80+ exhibitors and over 2000+ visitors. MRPL displayed the Brother S 7300 and BAS 311HN machines along with the Pegasus FS 701. Both brands received valuable reviews from potential customer in the intimate apparels segment.

MRPL has organized a launch in conjunction with a technical Seminar for the Brother S 7300 superior spec series in Ludhiana on 31st August 16. The entire Brother team including the company's Directors Mr. Yamada and Mr. Tsusaka were the part of the launch. The Brother S 7300 and Bas 311HN were displayed in Seminar. Mr. Raheel Khan (Technical Manager - Brother International) and Mr. Akshay Sharma (CEO - Magnum Resources Pvt. Ltd.) conducted the technical seminar and educated the customers on the benefits of Brother S 7300 new series. The launch was a great success, as around 80 customers attended the launch and have given encouraging reviews.

MRPL also conducted a technical training of the Melco EMT 16 (embroidery machine) at its branch office in Noida. Mr. Matthias the technical engineer from Melco, Switzerland came to India to provide training to the company's entire technical staff. This training was all about the operating systems of EMT 16 including the technical knowhow ranging from setting up the machine; its repair and maintenance; identifying operating problems; up gradation of the machine online; information of its designing software; and the latest techniques of embroidery as well. He has certified our engineers from various offices, have issued them individual competency certificates.

A special session of technical training was also given to our sales team, for deep understanding of the technical specifications of machines allowing us to better educate the customers and improve our marketing effectiveness.



*Launch seminar of Brother machine S7300 at Ludhiana*

## Celebrations at Sara House

Independence Day at Sara House on 12th Aug - It was an occasion filled with patriotic fervor and some wonderful performances by Sara Group Employees. The performances given by the different teams were highly appreciated and applauded by the attendees. The participants were rewarded with a glittering trophy amongst a lot of cheer from everyone. As a final closure to the event, members of the senior management shared some words of encouragement.



*Independence day celebration at Sara House*

## Knowing Us

### Mr. Dinesh Gupta, Chief Financial Officer



#### A brief on your role at Sara

I am responsible for financial planning and record keeping, as well as financial reporting to the top management. For this, my role is to supervise the group accounts and prepare financial statements and annual reports, coordinate with auditors for conducting internal audits, tax audits and statutory audits and to ensure compliance with all legal requirements. In addition, I oversee the finance function including manage cash inflow and outflows; arranging debt financing; liaising with banks; and investing surplus funds etc.

#### How do you see your future at Sara

I foresee scope for restructuring the organization for accelerated growth through introduction of systems, policies and procedures for all departments and group companies. Also, to strengthen management control and review; have closer oversight over operations; being part of business strategy development; spearhead new initiatives at the corporate level; and building up IT infrastructure.

#### Your goals while in your current role at Sara

To define and institutionalize finance & accounting policies, streamlining finance operations, strengthening the governance process through compliances and internal assurance.

#### Your perfect Get-away

Despite the hectic schedule and tiring routine, I enjoy spending time with my family during leisure time.

#### Your idol in life ..... and why

I admire Mr Ramesh Vaswani - Management & Business Advisor and Executive Vice-Chairman at Intex Technologies (India) Ltd who always inspired me on how to promote the culture of keeping a balance between work and family and to keep the work environment tension and stress free.

#### Your perspective of the most critical element for corporate success

Systems orientation, change Orientation, assertiveness, a problem-solving attitude and good analytical skills are key elements.

## New Joinees

### Sara International Pvt. Ltd.

Sonia Bhola - *Senior Executive*

Preeti Sharma - *Sr. Manager HR & Admin*

Anamika Verma - *Asst. Company Secretary*

Rakesh Jha - *Senior Executive – Finance & Accounts*

### Sara Textiles Ltd.

Vineet Adlakha - *GM Processing*

Sandeep - *Asst. Manager*

Jaiveer Singh - *Manager*

Krishan Kumar Singh - *Deputy Manager*

Atam Prakash Patel - *Asst. Manager*

Atul Mishra - *Manager*

Anil Choudhary - *Asst. Manager*

Minhaz Uddin Baidya - *TGT – Merchandiser (Marketing)*

Vikas Chauhan - *TGT – Merchandiser (Marketing)*

Saurav Chaklader - *Sr. Merchandiser (Marketing)*

### Magnum Resources Pvt. Ltd.

Atul Kumar - *Service Engineer*

### Sara Group

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