

SARACONNECT

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2018



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“
*Great things in business
are never done
by one person.
They're done by
a team of people.*

- Steve Jobs

”

FROM THE MD

Dear Members of the Sara family,

As we are saying adieu to the Financial Year 2017-18, we are far more optimistic and looking forward to better Economic growth both in Macro and Micro terms.

After having suffered two bolts of Demonetization and GST we have now started recovering. Hopefully the recovery will be faster and we will be in a high growth trajectory in the Financial Year 2018-19.

We are set to invest in mining & beneficiation of raw materials in Central Europe which will increase our supply capacity. Our newly set up business of financial investments and acting as early stage investors is likely to show good results in the coming year. STL would certainly be investing in modernization and expansion. MRPL is aggressively diversifying in other areas of textiles and is likely to achieve 25% growth in its business.

Even though the economy as such may refuse to grow beyond 7% but we are targeting at 15% growth in each of our businesses. So it is time for all of us to get involved in the growing opportunities of our businesses. But remember, as I said earlier, tightening our belts and having good cost control should remain a prime concern.

With best wishes,

DPSingh



Hexagonal bars being loaded for shipment to South America

SARA INTERNATIONAL PVT. LTD.

STEEL & METALS

Steel markets remained very uncertain this quarter. While the first few weeks saw a sharp rise in steel prices, the last few weeks of the quarter witnessed a drop in global prices. Demand for steel in India remained robust due to improved sentiments in country's infrastructure sector which subsequently led to increase in crude steel output. Steel consumption in India has grown at an annual growth rate of 7.5% in the last decade, with construction and infrastructure sector accounting for nearly 60% of the total demand. This year too, the steel output in India is expected to cross the 100-million ton mark.

The Chinese government attempted to control the overcapacity in steel production and thereby announced a massive restructuring plan for the country's steel sector. This plan involves steel capacity cuts of about 150 million tons by the year 2020. The government will now focus more on environmental protection; quality materials; and improved safety standards. Due to this revamp, China's finished steel export volumes dropped to a five year low this quarter. Also the long Chinese New Year holidays led to mixed sentiments over pricing in the future markets. Further, domestic prices in China had started showing a downtrend after the announcement of imposing higher tariffs of upto 25% on steel imports into USA.

We shipped our two orders of Hexagonal Bars from India this quarter and are focusing on new orders for the next quarters. We are also working on a trial shipment of Galvanized Sheets from China to Africa.

IRON ORE

Export prices of Indian iron ore fines (58/57 grade) have been quite steady in the last few months. These have been hovering in the range of \$38/mt CFR China to \$40/mt CFR China levels. However, due to the recent cut in steel production in China, the demand for the raw material is expected to fall which will put some pressure on the prices in the coming weeks. The month of March 2018 had already seen a decline in the demand from China.

Government data has estimated iron ore production in India to be about 210 million tons this fiscal year (2017-18), about 10% higher than the production of previous year. Last year the country produced 190 million tons of the ore. This has brought about a reduction in the imports of iron ore lumps from South Africa.

In order to address the iron ore mining issues in India, the steel ministry is keen to have a greater say in policy issues including pricing of iron ore. Since this is one of the major raw material for steel making, thereby the steel ministry is getting itself involved in the mining process and the pricing mechanism so that the domestic steel producers can function smoothly.

CHROME ORE

International prices of Chrome Ore saw an upward movement in the beginning of this quarter with demand rebounding from China due to an increase in stainless steel production. Another reason was that the stronger Yuan against USD had also encouraged the Chinese producers to import Chrome Ore. In 2017, China witnessed a substantial rise in its Chrome Ore imports. As per data, China imported 14.5 million tons in 2017 as compared to 12.3 million tons in 2016. This is a growth of 18% Y-o-Y. The appetite for chrome ore has been increasingly driven by its ferrochrome consumption owing to its strong domestic stainless-steel market. Prices of ferrochrome rose from 86 cents/lb CIF China to 99 cents/lb CIF China.

However, after the CNY holidays, the markets witnessed lack of concluded deals with buyer's developing a bearish outlook. The high amount of inventory; liquidity crunch of some traders; and production cuts started to have an effect on the demand for the ore.

In India, the chrome concentrate producers have been pressing the government to roll back the 30% export duty on exports of concentrates. These producers feel that while ferrochrome is exempted from export duty, the Indian origin chrome concentrates which fetches an attractive premium in the international markets is needlessly burdened with an export duty of 30%. Such high export duty has made Indian chrome concentrates exports unviable in the international markets. Consequently, South Africa, Gabon and other chrome rich countries have gained a strong foothold in the global chrome trade where until a few years back India was also a key player.

This quarter our export volume to China crossed 40,000 metric tons, making us one of the most reliable player in our product market. We look forward to increase our volumes and diversify to newer origins as well.



Chrome Ore ready for shipment



COAL & ENERGY

After a continuous price rise during the past few months, the Indonesian coal price rise has come to a halt with demand from its major consumer, China slowing down. Indonesian coal prices have seen a downward trend in Mar'18 as buying interest from China & India continues to remain low. This price trend has kept Indian buyers at bay, who have halted their import deals, and waiting for further correction in prices. Importers are expecting that the prices may stabilize in Apr'18, after which there will be some momentum in coal imports into India. In fact coal import from Indonesia to India was down during the Jan-Feb period as compared to previous quarter.

South African coal also faced problems under supply tightness during these months, while the volatility in coal prices had also impacted the export shipments from RBCT. The API-4 index had touched the \$96 mark in Jan'18 after which it hovered between \$90-\$95 levels in Feb'18 and finally settled at lower levels of \$90.

After a gap of few months, we have imported South African coal at Kandla for our regular stock-and-sale purpose. The increase in India's steel production and cement manufacturing is set to bring about a good demand for this grade in India.



Display of "DigiFlex Technology" from Brother

MAGNUM RESOURCES PVT. LTD.

MAGNUM RESOURCES BULLISH ABOUT LUDHIANA'S LUCRATIVE MARKET

It's always a critical strategy for the technology suppliers to keep pace with the latest developments and to foresee the evolving customer requirements. In line with this belief, MRPL exhibited the 'DigiFlex' technology from Brother and 'flat seamers' from Pegasus to cater the Ludhiana's vibrant market, in a big way. Being the leading knitted garments market in India, this technology is likely to be a game changer in terms of manufacturing productivity.

Brother's S7300A with 'DigiFlex' technology garnered the attention of the visitors with highlighted features such as its electronic feed control system and an under bed trimmer which has brought down the remaining thread length to 3 mm as opposed to an average of 6 mm left by most of the contemporary machines. The actual applications in production with solutions to all types of garments like knits/shirts/ladies tops/bottom were exhibited at the show. The feed motion can be changed with one touch of a button to provide best sewing quality for various materials. In another important development, the automatic material thickness sensor detects the thickness of the plies being sewn to reduce clogging at cross-over seam and needle breakage. By the virtue of this sensor, S-7300A corrects the stitch length automatically, auto-picks the feeding mechanism required, hence offering stable stitch length and high quality sewing for unskilled operators as well. While the footfall at the exhibition was less, but MRPL received more serious enquiries than the previous years.

A general trend in the apparel industry which was reinforced during the Ludhiana exhibition is the openness to invest in automation that while might involve a higher CAPEX, clearly demonstrate productivity improvements. MRPL is gearing up to be ready to leverage this change in the future.



Display of "Flat Seamers" from Pegasus



Display of Sara Textiles products at Market week show

SARA TEXTILES LTD.

Sara Textiles had a great market week show and the display was appreciated by all the customers and we got introduced with new clients as well. Cotton situation is very bleak. Cotton futures are touching all time high of \$0.85 cents. Regular Buyers have either stopped buying or taking smaller qty's in anticipation of better prices later. Overall retail situation in USA has not improved and sales are down. The overall textiles industry is going through a tough time to sustain the business in this scenario but STL is still able to maintain business to keep the capacities running.

Various initiatives and training sessions were held in this quarter at the Nalagarh plant with regards to chemical & waste handling; conservation of electricity & water; security department training; PPE awareness training; the quality department; and the administration department trainings.

Further, to motivate workers and keep their moral high, lunch was organized during the month of February followed by an inter-departmental Volley ball match in the premises and Holi celebration was held on the occasion of Holi.

GROUP NEWS

The productivity of a company depends upon the office atmosphere. A positive reinforcement can be planned for the employees in many ways. One of them is to celebrate the festivals together, within the office. This promotes a spirit of oneness and a sense of belonging among the employees. Keeping this in view, Holi celebration was held at Sara Group in this quarter.

Observing any fiesta in the office is a perfect idea to take a breather from the daily routine. An office is a place where an employee spends most of his/her life, so its importance is self evident. It is a space that fosters the growth of not only an individual but also the organization as a whole.



Display of products at Market week



Holi celebrations at Sara House



Sara was the main sponsor for the Sara-DGP Cup held in Chandigarh in March 2018 and saw participation of over 120 golfers from around the country



KNOWING US



RAJEEV MISHRA - DGM
Sara Textiles Limited

A BRIEF
ON YOUR
ROLE
AT SARA

Overall production management covering operations of dyeing; finishing; bathrobe; PPC; godown; store; and commercial division.

HOW
DO YOU
SEE YOUR
FUTURE
AT SARA

I am glad to be associated with SARA Family and see a long-term association with group.

YOU
GOALS
WHILE IN
YOUR
CURRENT
ROLE AT
SARA

Mentoring & monitoring the performance of team members to ensure efficiency in process operation and meeting of individual & group targets, developing and implementing strategy, smooth coordination between different departments within the unit, reduction in production cost through appropriate planning to optimize the utilization of man, material & machine.

YOUR
PERFECT
GET-AWAY

Whenever, I get an opportunity of holiday I prefer to visit any new location

YOUR IDOL
IN LIFE
AND WHY

My Father - I learned from his successful life that "don't stop when you are tired, STOP when you are done "

YOUR
PERSPECTIVE OF
THE MOST CRITICAL
ELEMENT FOR
CORPORATE
SUCCESS

Being open to improvement in one's core profile and alignment of team members.



NEW JOINEES

Sara International Private Limited

Jitender Kumar Sharma	EA to Director	Noida
Jyoti Dagar	Assistant Company Secretary	Noida

Magnum Resources Private Limited

Radhe Shyam	Service Engineer	Ludhiana
Mazhar Sharif	Service Manager	Mumbai
Vinay Kumar	ERP Executive	Noida
Rahul Nagar	Logistics Executive	Noida
Jitendra Sharma	Service Engineer	Mumbai
Mohd. Mustafa Ali	Sr. Service Engineer	Mumbai

Sara Textiles Limited

Rachna	Lab Officer- Lab	Nalagarh
Ram Paul	Additional Manager HR	Nalagarh
Yogesh Prajapati	Industrial Engineer -operation	Nalagarh
Ganesh Shankar Tripathi	Manager-bathrobe	Nalagarh
Girdhari Lal	Production Merchant-operation	Nalagarh
Rajeev Mishra	Deputy Gen. Manager-operation	Nalagarh
Renu Mishra	Executive-operation (dummy)	Nalagarh
Chaman Lal	Inspector- Security	Nalagarh
Rajesh Shukla	Deputy Manager -weaving	Nalagarh
Dhanvir Singh	Chief Security Officer-security	Nalagarh
Pavan Mishra	Officer-quality	Nalagarh
Atul Kr Tripathi	Deputy Manager - Yarn Dyeing	Nalagarh
Jitendra Kumar	Head- Designing & Pd	Nalagarh
Kavinder Singh	Cutter Master	Nalagarh



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