

SARACONNECT

Volume L
Quarter ended
December
2018



In this issue

World Steel Industry...growing amidst interesting times

Iron ore lumpy prices rise in wake of sintering cuts

China's pollution crackdown shakes up iron ore traders

The enigmatic correlation of Chrome prices and Chinese port stocks

India's coal shortage likely to continue

Garknit-X display: Latest in Sewing and Embroidery technology

STL gearing up for Heimtex'19



“
ナナコロビー屋沖

*Fall Seven times,
rise eight*

- Japanese proverb

”

FROM THE MD

Dear Members of the Sara family,

Congratulations! With this issue we have reached 50th Edition of Sara Connect.

It has been an encouraging, satisfying and humbling experience. From a textile and commodity trader we are now a major textile manufacturer, chrome miner and exporter, investor in start-ups and property. We now operate across a large canvas of activities. But as it happens, we have had our ups and downs. The market forces coupled with macro and micro-economic developments has taken some sheen away from our success. But the foundation was strong enough to go through the period of falls and uncertainty.

We are now looking forward to expanding our horizons, adding new businesses and entering new markets. The new activities under the young generation will take us to greater heights.

All of you have been part and parcel of our journey and therefore, I am thankful for the contributions made by all of you.

As the New Year ushers in, it brings in opportunities, surprises and our determination to handle all of these.

My very best wishes to you and your family members for a healthy and happy 2019.

DP Singh

SARA INTERNATIONAL PVT. LTD.



CHROME ORE CONCENTRATES UNDER LOADING AT THE INDIAN LOAD PORT

STEEL & METALS

India's steel production registered a growth of about 5% this year as compared to last year. Similarly, China's steel production grew by 9% and Japan's steel production grew by 4.5% this year. The average world steel production this year saw a growth of 6% vis-à-vis last year's output.

Steel export offers from China and the CIS region declined sharply during this quarter that saw an impact on the steel exports of Indian mills. However, prices remained under pressure due to dull sales and liquidity issues.

Chinese steel prices came down by \$50-60/mt by the end of this quarter amid high inventories and falling domestic prices. This resulted in a sharp plunge in landed cost of imports into India. Few steel

mills in India are planning to cut down prices for next month on account of thin trade and lackluster demand combined with competitive imports from China, Russia, and Korea.

Another factor for the drop in steel prices is because of the slump in raw material prices. Iron Ore & Coal, being the key ingredients for making steel in blast furnaces, saw a sharp fall in prices during this quarter. Mines based in Odisha state have already reduced prices of ore in the last one month.

We expect to see some correction in the prices during the coming weeks, which may balance out the steel imports into India.

IRON ORE

Amidst uncertainty on sintering and production cuts in the Chinese market, Chinese mills saw a preference for Iron Ore fines. This resulted in a sharp hike in iron ore fines prices and spot iron ore fines prices touched 8-month high towards Oct'18 end. The average global iron ore fines prices increased by about 7% this month with prices of Fe 62% grade going up from \$68/mt CFR China to \$73/mt CFR China during this quarter. Prices have climbed close to 8-month high as these levels were last seen in early March this year.

Amid restocking by Chinese mills ahead of the winter season, iron ore fines prices have got a boost. Mills have found fines to be more competitive than higher priced pellets, which led to the inventory at Chinese main ports to increase to about 144 Million Tons in early Dec'18. Indian exports to China saw an uptick that is hard to miss and analysts predict that volumes could swell in the coming months.

On the other hand, imports of Iron Ore lumps into India have been increasing and already crossed 12 Million Tons this year. This is the highest import volume since 2015 when the country had imported 15 Million Tons due to the mining ban in Odisha and Jharkhand states of India. Most of the imports coming in are low grade Fe 57% from Australia. This material is available at a discount that is about 35-40% cheaper than Fe 62% grade. Moreover, demand for low-grade lumps has reduced in China due to strict pollution control norms; thereby miners are targeting Indian markets for supplying low-grade lumps.

Iron Ore pellets manufacturers in India saw a good demand from China early this year but now it is expected that the export volumes are likely to come down in next few months as demand has softened because of relaxation of environmental norms due to which mills have shifted towards usage of low grade fines.



CONTAINER UNLOADING AT CHINA

CHROME ORE

The beginning of this quarter saw a good amount of sales orders in view of the inventories coming down at Chinese ports. The demand started picking up for Albanian Chrome Ore as well as other origins like South Africa, Turkey, and Zimbabwe. However, stainless steel markets remained muted which in turn kept the prices of Ferro-chrome in check. Although demand was still active, the prices have not been able to pick-up because of the high inventories in China. Buyers have become very cautious and have started looking for competitive cargo.

Stocks of Chrome Ore at Chinese ports had crossed 3.50 million tons last quarter and then came down to as low as 2.70 million tons in Nov'18. However, some large consignments were shipped from South Africa in Nov'18 that has again increased the stocks at about 2.90 million



MANGANESE ORE LOADING IN EUROPE

tons in Dec'18. With the Chinese New Year coming up in early Feb, most buyers prefer to postpone their orders so that the cargo does not arrive during the holidays. Also, many would like to review the market situation after the holidays.

In the short term, the Chrome Ore market are likely to remain stable as abrupt fluctuations are unlikely to happen. However, due to the cash pressure and sales targets at the end of the calendar year, it is possible that some Stainless-Steel mills may decide to lower the prices in order to boost the sales.

We have been able to win the new tender from MMTC for shipment of 2000 MT Low Silica Chrome Concentrates from India. This high Cr₂O₃ and low SiO₂ grade material, which is mainly used in the refractory industry, will be shipped to China next month. We look forward into developing this market and increasing volumes from India as well.

COAL & ENERGY

Coal continues to be the dominant source of energy in India. However, industries that do not have quantity allocation with Coal India Limited (CIL) are suffering due to shortage of coal. These non-power sectors, especially those located in the hinterland, have to depend on imported coal for running their plants and thereby, the power tariff costs increase drastically due to the high logistics costs of moving the coal from the port areas to the plants. The coal supply is increasing by about 5% per year but the power demand is increasing by about 10% per year, hence power generation in India has been suffering on account of coal shortage for more than a decade now.

The Government of India has repeatedly been focusing to reduce the country's burden on

imported coal, however India's major coal miner (who mines about 80% of the total coal) is not able to match the domestic requirements. This has led to increasing quantities of coal being imported into India and is already above 200 million tons. More efforts will have to be made by the industry in order to reduce the import volumes.

Such huge dependency on coal imports also has a great impact on the global prices. If we look at the API4 index, it had dropped to about \$86 levels, however once the buying spree continued, the prices went back up to \$95 levels. Apart from India, other countries like China, Pakistan, USA, and European Union are highly dependent on South African Coal.

MAGNUM RESOURCES PVT. LTD.

This quarter, MRPL participated in Garknit-X which was held in ECO park in Kolkata for 3 days from 14th - 16th, December 2018. Garknit-X is a major international trade show on apparel, knitting, leather and jute technology.

The latest technology from Brother was displayed. The main attraction for the booth were the new models of Bartack machine MODEL KE430HX with expansion kit for larger area bartack and single colour logo. Pegasus had also displayed their special range of machines for the undergarments industry and sports wear. These applications were widely enquired by visiting customers.

MRPL also displayed new range of Rehoo fusing machines and Nippon special cutting machines along with huge response for our latest Label and elastic cutting machines from LYGOLD.



DISPLAY OF BROTHER MACHINE AT GARKNIT KOLKATA 2018

The response was very good on last two days specially and Magnum gathered serious enquires for various machines which are closely followed. Overall, our booth received a good response and we could even finalise few orders in the exhibition.

The exhibition saw a strong footfall from customers not only from Kolkata and also Ranchi, which is now an upcoming market for Eastern India.



MRPL STALL AT GARKNIT KOLKATA 2018

SARA TEXTILES LTD.

Sara Textiles is preparing for another mega event, Heimtex.'19 which will be held in Frankfurt (Germany) in January 2019. It is one of the biggest capability display shows across the globe, Heimtex provides a platform to the manufacturers and exporters of textile products across the world to display their new innovations and for producers to meet all the existing and new clients for further business discussions.

STL has had many successful displays over the years and is now gearing up to have its presence felt in the global market by displaying our fresh products developed from different mix of yarns, varied techniques and newly developed styles and design.

Various trainings as part of ongoing development process were held this quarter: General awareness training; Functional training; Security alert training; Training program on conservation of energy and water were all part of the training schedules this quarter. Also, a SA 8000 training program was held to impart training to the SPT Committee members as they are responsible for ensuring a safe and healthy workplace environment for all personnel, and for implementing the Health & Safety elements of SA 8000.

On the other hand, our enthusiastic HR Team held many employee engagement activities at the plant to keep the spirits high, including a treasure hunt; a volleyball match; and the balloon buster were the highlights from the engagement events held during December 2018.

Sara Textiles Limited in collaboration with Health Department (Dengue Prevention Committee) Solan (HP) has organized an awareness lecture on dengue fever at the plant. Dr. Kavi Raj Consultant, Department of Medicine (Distt. programme officer-Dengue Prevention Committee) discussed about the prevention, complications of dengue fever.



FUNCTIONAL TRAINING AT STL PLANT

GROUP NEWS

To keep the festivity spirit high, Sara group held a fabulous annual Diwali Party this November at India Habitat Centre, Lodhi Road, New Delhi. No Indian festival is complete without lavish food, drinks and dancing. The night had it all and all Sara'ites had a great time bonding with each other over the night.



MD'S ADDRESS AT THE ANNUAL DIWALI PARTY

Sara Group Participates in Airtel Marathon on Sunday, 21st October – Sara Group was represented at the Airtel Great Delhi Run 2018 by 45 Sara'ites.

Sara Group sponsored the Super Sikh Run – Sara Group, through the Mahinder Kaur Charitable Trust (MKCT) was the sponsor at 3rd One race Super Sikh Run 2018 held on 9th December 2018. An energy station was also held to keep the energy and enthusiasm high.



GENERAL AWARENESS TRAINING



SARAITES AT AIRTEL MARATHON



MKCT ENERGY STATION AT SUPER SIKH RUN

KNOWING US



SOURISH KR. SAMANTA

Manager
HR & Administration

Sara International Private Limited

1

A brief on your role at Sara (4 – 5 lines)

I am responsible for entire administration gamut of Sara House, Noida that is the corporate office for Sara group. My role entails keeping a close watch on the smooth functioning of all the administrative services as per organizational requirements and optimum utilization of the allocated budget.

2

How do you see your future at Sara (3 - 4 lines)

I am happy to be a part of an esteemed organization. I always aspire to grow with the company and contribute for the value-added services aimed at achieving a better image for the organization

3

Your goals while in your current role at Sara (3 – 5 lines)

I would like to create an impressive and positive impact in the organization with my long-term experience. My goal is to accomplish the entire assigned tasks and achieve the targets.

4

Your perfect Get-away (1 – 2 lines)

All the hilly terrain always attracts me.

5

Your idol in life and why (2 lines)

Since childhood my life was full of turmoil, due to these I couldn't think about an idol. However, non-following an idol inspired and forced me simultaneously for hard work.

6

Your perspective of the most critical element for corporate success (2-3 lines)

I believe that corporate success can only be achieved by encouraging the subordinates and with regular face-to-face interaction.



NEW JOINEES

Magnum Resources Private Limited

Vinod Kumar	Technical Engineer
Poonam Sawhney	Executive Assistant to CEO

Sara Textiles Limited

Deepak Vats	Merchandiser Cum Designer
Ritika Gupta	Assistant - Merchandiser
Naveen Verma	Assistant - Merchandiser
Mayuri Srivastava	AGM - Exports
Snehal Rasal	DGM - Exports
Shishir Sharma	Sr. Manager - BD
Dharmveer Kumar	Sr. Executive - Commercial
Sujit Kumar Prasad	Officer
Ranvijay Singh	Deputy Manger
K. D. Pandey	Deputy Manger
Sonu Kumar	Officer
Ashish Jaiswal	Assistant Manager
Ashish Kumar	Officer
Devendra Kumar Dwivedi	Officer
Deepak Garg	Head
Balam Singh	Assistant Manager
Raj Karan Pandey	Shift Incharge
Reena Rani	Sr. Executive
Navneet Kumar	Shift Incharge
Rambali	Officer
Raj Kumar	Officer
Deepu	Officer
Ashwani Kumar Pandey	Officer



Contact us:
Sara House
Add: B - 8, Sector 4, Noida 201301
Uttar Pradesh, India

Regd. Off:
A-31, Hauz Khas,
New Delhi - 110016, India

Email: info@sara-intl.com
Tel: +91-120-466-7272