

SARAC NNECT

Vol LX | Quarter ended June 2021



Indian roots. Global reach.



“

Hope — Hope in the face of difficulty. Hope in the face of uncertainty. The audacity of hope! In the end, that is God's greatest gift to us...A belief in things not seen. A belief that there are better days ahead.

- Barack Obama

”

In this Issue:

- Commodity markets showing strong demand globally
- The global shipping market remains in short supply
- Oh, where are the containers?
- The ever-rising cotton prices impacting margins in textiles...
- MRPL – Accelerating through Automation & Opportunities in Home Textiles

■ From the MD

Dear Members of the Sara family,

As we inch towards the end of April-June quarter we see some light at the end of the tunnel. But due to the fear of 3rd wave of Covid, I only hope this light is not illusionary and we will see business getting back to stability.

MRPL which had seen two bad months of April & May, is likely to come out in healthy position in June.

STL is facing headwinds due to increase in cotton and cotton yarn prices. It appears cotton prices could reach its highest level this year. International buyers of fabrics made ups and apparel are not easily accepting this increase in prices of input. But we are hoping that some clarity will be achieved in the month of July.

SIPL is also facing problems in getting vessels/containers for shipping out the cargo. The world has never seen this kind of shortages and high prices in container transportation. I believe the stability in shipping industry is far away and we may have to live with logistic impediments for next one year.

I pray that the pandemic does not come back and we are able to get back to a normal situation in the medium run.

With best wishes

DP Singh



■ Sara International Pvt. Ltd.

Steel & Metals

India's domestic steel market has been good in terms of pricing and export volumes, especially for flat products. Steel plants are booked with sales orders for the next 2-3 months however they are still facing difficulties in vessel availability as well as lower port handling operations due to the ongoing Covid cases. As far as long products are concerned, the export scenario is not great owing to the subdued demand from China.

The Chinese steel market saw mixed sentiments over continued uncertainty of export tariffs on steel products. Further, new production restrictions in major cities impacted the sentiments in the domestic market thereby keeping prices mostly range bound.

Imported scrap into India has slightly increased this quarter after seeing limited deals happening in the past quarter. The improved availability of industrial oxygen to certain industries/plants and smelters/furnaces saw the demand for scrap picking up.

Iron Ore

Iron ore prices in India are expected to remain high this quarter which is primarily due to the scarcity of the material in the merchant market. The upcoming monsoon season usually reduces the overall production by around 10-20% thereby causing a temporary shortage in the market.

Iron ore exports from India during the financial year 2020-21 touched 46 million tons as compared to exports of 25 million tons in the financial year 2019-20, thus witnessing a sharp increase of about 85% Y-O-Y. Out of this, low-grade fines comprised the major share of exports due to increased demand from China.



Chrome Ore

After seeing a slight downward correction in prices during the beginning of the quarter, the demand for Chrome Ore in China gradually started to pick up which caused prices to increase in the past few weeks. This upward trend was due to the production cuts in Inner Mongolia and Ningxia thereby creating scarcity for Ferro Chrome.

The increase in South African UG2 grade prices also supported the rising Ferro Chrome prices in China. Electricity tariffs have increased in South Africa with the onset of winter, as well as power restrictions have further led to increased prices of chrome ore and lower production of Ferro Chrome. Thereby the offers from South Africa have increased in the past few weeks.

We have shipped more than 15,000 MT Chrome Ore from Albania to China this quarter, as well as about 3,000 MT Chrome concentrates from South Africa to China. Further, we have more than 5,000 MT Chrome ROM lined up for shipment by the end of this quarter along with new bookings for next month. Owing to scarcity and higher freights for 20'feet containers, we will now start to ship cargo in 40'feet containers.



Container stuffing of Chrome ore lumps at the Load port



Sampling of ROM chrome at the warehouse in South Africa

Coal & Energy

The rally in South African coal prices does not seem to be losing steam as prices have gone up by 30% in the last six months. Post the Chinese ban on Australian coal last year, and the shortage in production of domestic coal has prompted Chinese buyers to look for alternate sources from over-seas destinations like South Africa, Indonesia, and Russia. China is emerging as one of the major buyers of South African coal since the last quarter, thereby giving a major push to thermal coal prices even in the absence of regular demand from other countries like India, Pakistan, Japan, and Vietnam.

Another reason for the increase in prices is the supply disruption in South Africa because of maintenance shutdowns and derailment mishaps of Transnet rail tracks which have impacted coal export stocks at RBCT port. It is expected that the demand for South African coal from China is likely to continue in the coming months due to the ongoing trade disputes between Australia and China.

Once freight rates see a correction, it is also expected that the demand from India, Pakistan, and Vietnam would gradually pick up. The only possibility of coal prices seeing any correction is increased with the domestic coal production in China or the introduction of import quotas that would ultimately cool-off buying interests for imported coal.



Coal truck loading at Kandla Port

■ Magnum Resources Pvt. Ltd.

The sudden second wave of the COVID Pandemic was very alarming, the customers who were planning to do expansion had to put the projects on hold. Our business has suffered as all our customers had to shut their factories or severely limit production. Domestic consumption of garments which was looking good has also suffered due to the complete shutdown of retail markets and shopping malls.

During COVID times, seeing the urgency of Oxygen Concentrators, MRPL imported Oxygen Concentrators from China and helped the garment export community in India. The sourced Oxygen Concentrators were CE Certified. Our customers have been very happy with the quality of the oxygen concentrators and appreciated the efforts made.

MRPL received an order from India's largest garment exporter for installation of an automatic hanging solution from our principal, Sunrise. The installation of the same is expected next quarter.

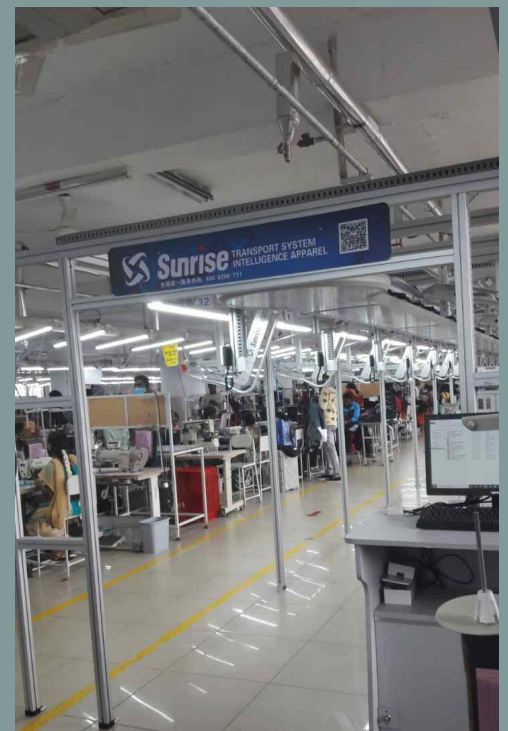
This automatic solution caters to garment manufacturers and even to Home Textile manufacturers.

The home & technical textiles division is gearing up for projects aiming for automation in the customers manufacturing lines.

With the business environment recovering towards the end of the quarter, we believe that the long terms trend towards automation will be clear to see as customers have a deep belief in automation as the key ingredient to long term sustainability.

Automatex:

AES-4600 / ESI-1200 / T-MAX



Sunrise Installation

Group News

Sara House

As it has been rightly said that "Giving is just not about making a donation, it's about making a difference" - Kathy Calvin

SARA Group's guiding principle has always been to give back to the community at large. There was no more a testing time than the second wave of the COVID pandemic that led us to provide our best efforts to help our fellow citizens in any way possible, directly as well as through our charitable trusts.

Mission: Vaccination

We care about society deeply and as a responsible organization, we care about the people who work for us and along with us. With a shortage of vaccines, Sara took upon itself to organize a free vaccination camp for our colleagues, their family members, and relatives; and for the "Caddies" who are daily wagers on 5th June 2021 in New Delhi.



Vaccine drive for the Sara Family



The Mohinder Kaur Charitable Trust (MKMCT):

The Trust is known for providing its extensive medical facilities to Gurudwaras in Punjab.

During the pandemics' ruthless second wave, the shortage of oxygen was heart-wrenching.

MKMCT took upon itself to contribute to solving this shortage through:

- Providing oxygen concentrators from its charitable common pool for home use for all those suffering from COVID
- An oxygen filling "Langar" was organized at the Panchsheel Park Gurudwara, which continues to operate.



Oxygen Filling Langar at Panchsheel Park



Vaccination Organisers

Mission: Food & Ration

It is commonly said that for the daily wagers and the Homeless, "Food" is a bigger worry than the Coronavirus. SARA initiated the distribution of rations to address the food needs of the impacted, by arranging dry rations for them and multiple distributions across NCR.

SARA Foundation, under the guidance and supervision of our chairman, Mr. D.P. Singh distributed rations for the people in need on 4th June 2021, while following all social distancing norms and taking the utmost precautions.

We thank everyone who has supported the Sara group in these activities and are eternally grateful as we see the end of this second wave of COVID-19.



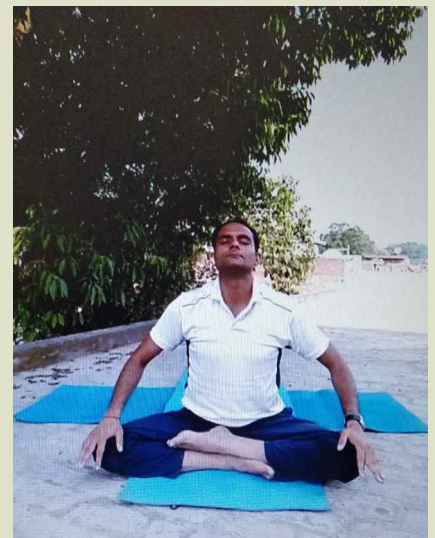
Ration Distribution

Group Activity

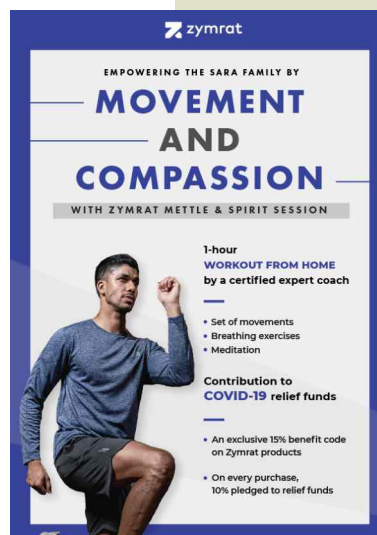
"A Healthy mind lives in a healthy body"

With a view to empower our colleagues during the pandemic, Sara organized an online Yoga sessions (strengthening of lung power & immunity) conducted by Mr. Rajeev Kumar.

We have also contributed to relief funds during a pandemic by joining hands with Zymrat Mettle. The team conducted the "Zymrat Mettle & Spirit Session", an hour long workout session on Zoom by one of their expert certified coaches. Our Sara Team contributed to relief funds by purchasing the Zymrat products from which they have donated 10% of the order value to the COVID relief funds.



Yoga Session



Zymrat mettle & spirit session

Vivekanand Patil

Branch Manager – Bangalore
Magnum Resources Private Limited

1. A brief on your role at Sara

Being the head of the branch, I maintain and oversee all the branch operations and get involved in the day to day sales, distributions, customer service and administration matters. My strategic role is to assess market conditions & identify prospective sales opportunities. Preparation of budgets, business plans & financial objectives to meet goals and metrics.

2. How do you see your future at Sara

I am proud to be associated with the organization. There is a lot of opportunities to progress and excel. I will give my utmost to achieve the goals to contribute to organization growth. In coming down the years I see myself stable and stronger.

3. Your goals while in your current role at Sara

I love to be a true apparel industry expert with a successful end-to-end project management experience.

I have only one dream and goal – “Magnum Resources Pvt. Ltd. should be the first choice for customers”.

4. Your perfect Get-away

Most refreshing get-away is the time spent with friends, my perfect getaway is to be on a road trip with friends.

5. Your idol in lifeand why

My Parents are my idols. They are the most respectable and important persons in my life. They taught me the value of life, honesty & loyalty.

In our profession, I consider Mr. Akshay Sharma as my idol. I am learning and trying to follow him.

What I like the most about him is that he can sell any given thing.



6. Your perspective of the most critical element for corporate success

A growth mindset & being open to lifelong learning and development. I believe in Teamwork under the guidance of leaders, and we should focus on efficiency, performance, and results.

“

My strategic role is to assess market conditions & identify prospective sales opportunities.

”

■ New Joiners

Magnum Resources Private Limited

Deepchand Bind	Executive Sales - Ludhiana
Sandip Shivram Utekar	Senior Service Engineer-Mumbai
Molla Zahir Abbas	Service Engineer-Spare Parts - Kolkata
Rathod Lalit Bhurabhai	Senior Executive Sales - Ahmedabad

Sara Textiles Limited

Priyank Sharma	Business Development Manager - Noida
Ravi Jha	Deputy Manager - Commercial - Noida
Krishan Sharma	Senior Accountant - Noida
Shailendra Singh	Assistant Manager- Quality Assurance- Nalagarh
Narinder Singh	Manager - Fabric Dyeing-Nalagarh
Suneel Kumar	Shift Officer - Quality Assurance- Nalagarh
Sumit Kumar	Shift Designer - Designing- Nalagarh
Kapil Goswami	Data Entry Operator- Engineering- Nalagarh
Santosh Singh	Officer - Human Resource- Nalagarh
Sachin Kaushik	Shift Officer- Quality Assurance- Nalagarh
Abhishek Singh	Manager - IT- Nalagarh
Surinder Kumar	Manager - Bathrobe - Nalagarh
Shubham Kumar	Officer - Quality Assurance- Nalagarh
Rishu Chauhan	Officer - Quality Assurance- Nalagarh





Contact us:

SARA HOUSE

Add: B - 8, Sector 4, Noida 201301, Uttar Pradesh, India

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

Email: info@sara-intl.com

Tel.: +91-120-466-7272

Web: www.saragroup.co.in