

SARAC NNECT

Vol LXII | Quarter ended December 2021

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Lack of direction, not lack of time, is the problem. We all have twenty-four-hour days.

-Zig Ziglar

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From the MD

Dear Members of the Sara family,

I am sure that all of you would have enjoyed the festive season of Dussehra & Diwali. And now I wish the New Year brings all of us great health, happiness and prosperity.

As I informed you earlier, Sara seems to have crossed the impediments caused by Covid-19. But now we have Covid's cousin called Omicron !!! I only hope the effect of this virus is not as devastating as the first and second waves of Covid-19. Therefore my request to all of you is to adhere to the Covid protocols and ensure that all members of your family are twice vaccinated.

The uncertainty looms specially on the logistic sector which not only increases the transportation costs but also makes the delivery systems uncertain. And this thus, spreads a shadow on the profitability of the business. New challenges mean more determined efforts from all of us which I am sure will be forthcoming.

I continue to be very hopeful of a better result in financial year 2021-2022 and see the problems of yesteryear as bygones.

Let us all pray that 2022 will bring better times for all of us.

With my best wishes,

DP Singh

“ I continue to be very hopeful of a better result in financial year 2021-2022 and see the problems of yesteryear as bygones. ”

Sara International Pvt. Ltd.

Steel & Metals

India's steel production is estimated to touch 125 million metric tons by the end of this financial year. Although demand has been sluggish in the last few months due to the Covid pandemic, however, the government is closely monitoring infrastructure projects as well as the construction sector, so it is expected that these sectors will drive the growth in steel demand in the coming months.

The government sees the Indian steel sector as full of opportunities and therefore is taking all possible steps to make the country improve its steel output to reach 300 million tons by the year 2030. While there is no shortage of Iron Ore in India, the country is dependent on imported coking coal which is used in the production of steel. For this purpose, the ministry of steel is in talks with Russia to collaborate for the supply of coking coal to the government steel plants in India.

Although we have seen raw material costs and finished steel prices shooting up over the last year, now things are beginning to normalize (like iron ore prices, coal prices, ocean freight rates) so it is expected that steel prices will remain under control and thereby we can see an increase in demand. However, the pandemic situation has increased uncertainty and volatility is here to stay. Once the uncertainty decreases, normalcy will return faster so we expect more clarity by end of this financial year.

China's construction steel demand is expected to shrink on fewer new projects with more and more suspension among the ongoing projects. This will have an impact on the long steel products, whereas the flat steel products are expected to remain stagnant owing to fewer exports out of China.

Iron Ore

India's Iron Ore export shipments fell to a multi-year low this quarter, being the lowest exported volume in recent years. Chinese imports have dropped this quarter causing a fall in global iron ore index prices amidst poor steel margins. Although prices rebounded by a few dollars, seaborne buying interest remained subdued. In addition to this, pollution control measures in China have cut down steel production which has, in turn, reduced the demand for the raw material.

The demand for Iron Ore is expected to remain soft till the next quarter amid reduced production measures which are placed due to the upcoming Winter Olympics. Steel output curbs and falling global prices are factors that continue to restrict future export bookings from India. Trading activities remained muted amid weak demand and buyers secured cargoes from the port market in small parcels which has further dented seaborne demand. Moreover, India's exports to other destinations like Japan and Korea remained nil this quarter.



Chrome Ore

Ferro Chrome prices have been declining due to limited demand from Chinese stainless-steel mills. Every month the mills have been reducing their purchase price for Ferro Chrome which has in return put pressure on the demand and prices of Chrome Ore. Buyers are becoming cautious and holding back new purchases as they want to wait for the price announcement for next month, early in 2022. Due to the upcoming Winter Olympics, the government has put strict measures in place to control the pollution levels, this has caused ferroalloys plants to either reduce production or to fully shut down. Moreover, shipments from South Africa have been delayed causing a reduction in port inventories of Chrome Ore. Such a demand-supply situation has kept Chrome Ore prices firm, while prices of Ferro Chrome are on the downtrend.

In India, ferrochrome plants are expecting that China might see a severe production curb in various parts of the country which will boost the import sentiments from India. Meanwhile, as the country gets into winter, the steel mills are expected to refill their inventories. Indian sellers predict that the uptrend in the prices will be seen from next quarter onwards. There is still some lack of clarity re-garding the energy curbs and how these would be followed up in the coming months. Although some furnaces in Southern China have stopped their operations due to rising electricity costs and falling alloy prices, other furnaces operating in the North (mainly Inner Mongolia, the largest ferro-chrome producing region) are operating at full steam as there has been a significant reduction in the operating costs as well.

During this quarter, we did a trial shipment of Ferro Chrome from India to China and look forward to increasing volumes. Shipments from Albania to China were one of the highest this quarter touching

nearly 30,000 tons. We also did shipment of 3000 tons (ROM and Concentrates) from South Africa to China and are now procuring more material from the mines for the next quarter shipments.

Coal & Energy

After seeing an acute shortage of coal in the last quarter, the supplies during this quarter have become stable and thereby prices have come down. China, the world's largest coal consumer, has seen a significant recovery in coal production by effectively responding to new challenges in production and operation, thereby ensuring adequate coal supply to meet the domestic demand.

South African coal prices also fell this quarter against the backdrop of reduced winter restocking activity in China and other European markets. Because of the sudden fall in prices, Indian importers are reluctant to book new vessels as the market remains unpredictable, thereby causing a shortage of port stocks which in turn has supported the prices for spot material.

Amid a sharp rise in Coal India Limited's output last month, supplies seem to be improving even for the non-power sector. Few sponge iron units were even heard to have opted for domestic coal purchases over imported as the former is cheaper than portside prices. We are planning our next buying round of South African coal early next year once we have more clarity on the price trends.



Container Stuffing of Ferro Chrome from India



Sample Collection of Ferro Chrome

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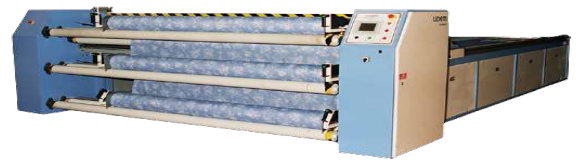
Magnum Resources Pvt. Ltd.

The garment industry continues to see an increase in business after 2nd wave of the pandemic. The China "plus one" strategy of global buyers has encouraged the garment exporters to invest in technology which helps them to increase productivity. Magnum has taken advantage of this theme, and overall business has been encouraging for Magnum. This is supported by our own range of products that are focused on automation and productivity improvement.

Driving the initiative for automation in the home textile industry, Magnum's Home Textiles division has secured a prestigious order for an extendor machine with automatic spreading, end cutting & stacking from our principal LIDEM. The customer is a large business group from Tamil Nadu and have invested for their fully automated state of the art manufacturing facility of Bed Linen. This is the first of its kind machine which can spread & stack up to 90 Mtrs/min of fabric on the table thereby reducing a decent amount of manual labor in the cutting department.

With the tailwinds seen recently in the home and technical textiles industries in India, our latest order gives us strong tailwinds for referral installations for more such orders.

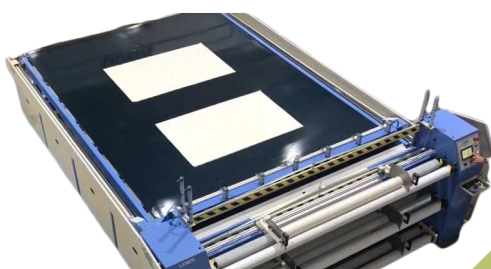
In technical textiles as well, Magnum has seen an increase in enquiries from the customers.



Extendor



Supreme Template MC



Lidem Extendor GDT4



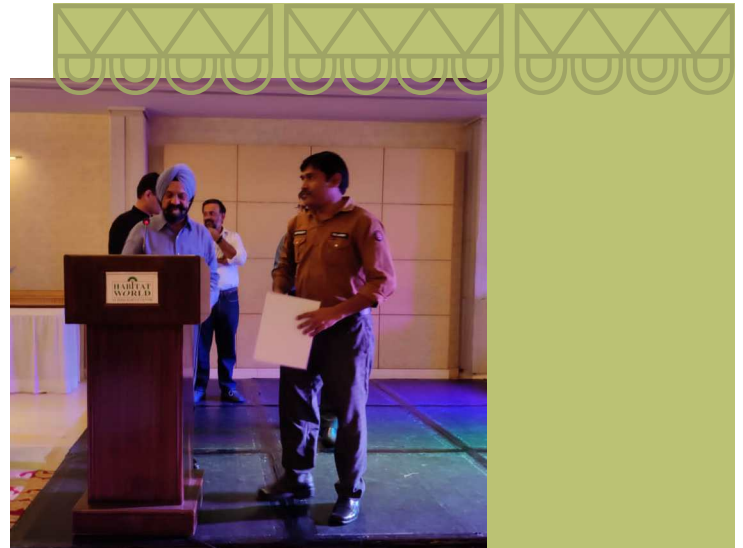
Lidem Extendor

Group News

Diwali Celebration

There are very few occasions, festivals, or topics that appeal to all colleagues and make the herculean task of pulling them off their desks easy. Diwali is one such festival employee looks forward to! Be it the bonus, traditional dress-up, buffet spread of sweets or the high-on-energy activities – everyone's got a smile on as this festival brings in so much positivity, this beautiful festival of lights gives the chance of setting new targets, overcoming the evils of work-life and fostering new friendships.

SARA House decked up its Noida-based office, beginning right from the alleyway at the entrance to interiors of the company's walls and desks. We also hosted another Diwali bash at the India Habi-tat Centre. Our Chairman and founder, Mr. D.P. Singh gave an enlightening speech as we remembered and paid condolences to the friends cum colleagues we lost in the COVID wave. Further, the company also felicitated our colleagues with long term service awards.



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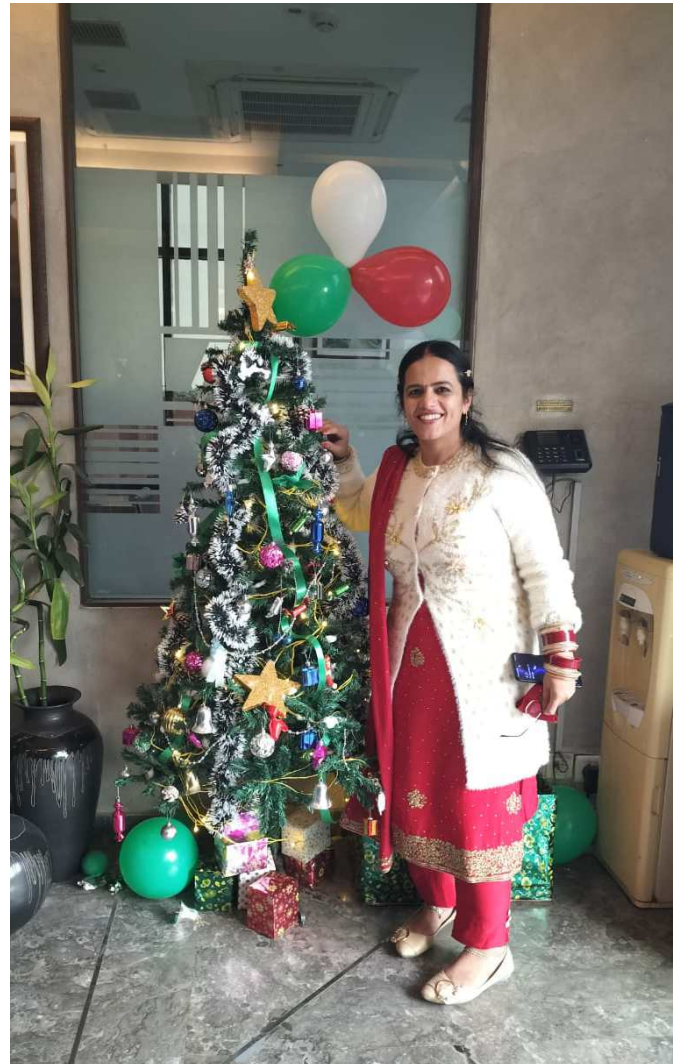
Christmas

This year the Sara family celebrated Christmas together. Everybody from the different departments and companies turned up in the office in clothes which were mostly red and white. The Office was decorated beautifully with glitters and lights and our own Christmas tree.

One could easily notice the excitement of Christmas in the colleagues' eyes. To carry on the tradition, the staff and the sub-staff members this year were given a small token of gifts hampers. A "Secret Santa" was also organized on the premises & all the employees had brought Christmas gifts as they chose a Christmas friend.

This practice has encouraged us to think about others, get to know new colleagues and to share & care.

A staff dressed as Santa Claus paraded wishing Merry Christmas, handing out chocolates and handshakes.



Rakesh Kumar

Manager Administration
Sara International Private Limited

1. A brief on your role at Sara

As Manager Administration I am responsible for admin activity like insurances/dealing with various private vendors, government departments like PF ESIC and manage our support staff and addressing new challenges day by day.

2. How do you see your future at Sara

Great, I know that Sara as a group is growing and shall grow in leaps and bounds because we have dedicated and committed people. So definitely when the organization is growing I see a lot of positive growth for myself.

3. Your goals while in your current role at Sara

My role in Sara as Manager Administration is full of responsibilities. One main goal of mine is to fulfill my commitments on time. Further, it would be fantastic to be able to handle additional responsibilities and new challenges.

4. Your perfect get-away

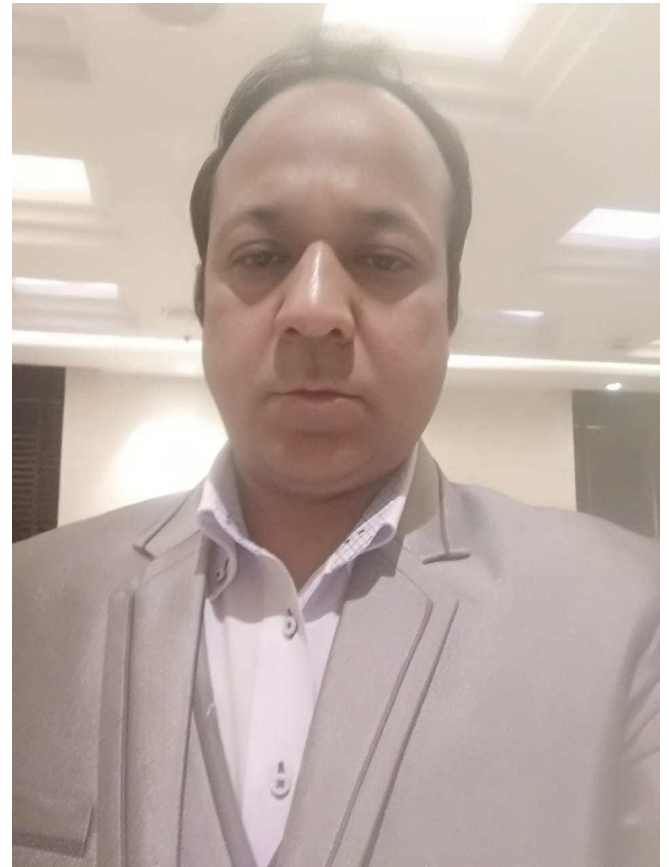
My perfect getaway is to spend time with my family mostly on hill station & Mount Abu. Visting the Delhi Zoo with my daughter also relaxes me.

5. Your idol in life and why

Mr. Ratan Tata as he is dedicated, honest, hardworking, has built an empire & has been renowned in the entire world.

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

Planning, management, commitment, discipline, and coordination with our subordinates.



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New Joiners

Magnum Resources Private Limited

Manbar Singh Rawat	Senior Service Engineer - Noida
Suryakanth Biradar	Assistant Manager Sales-Dealer - Bangalore
B. S. Prashanth	Office Coordinator - Bangalore
Rakesh Singh Raizada	Regional Manager Punjab - Ludhiana
Gurpreet Singh	Service Engineer - Ludhiana

Sara Textiles Limited

Rahul Yadav	Shift Officer- Yarn Dyeing - Nalagarh
Pradeep Kumar Pal	Executive-Quality - Nalagarh
Tanuj Kumar	Data Entry Operator - Weaving - Nalagarh
Banish Kumar	Deputy Manager - Weaving Maintannace - Nalagarh
Santpal	Supervisor-Knitting - Nalagarh
Jaspal Singh	Trainee Designer - Designing - Nalagarh
Shubham Bhardwaj	Trainee Designer - Designing - Nalagarh
Nikhil Walia	Shift Officer - Engineering - Nalagarh
Kamal Krishan	Asst Engineer - Engineering - Nalagarh
Amarjeet	Supervisor - Engineering - Nalagarh
Sharvan Gupta	Shift Officer - Fabric Dyeing - Nalagarh
Shamsher Singh	Supervisor - Administration - Nalagarh
Sanjay Kr Saroj	Manager - Quality - Nalagarh
Shadab Ashraf	Business Development Manager - Noida
Anusha Kabra	BDM - Export Cum EA To CEO - Noida
Prateush Kumar	DGM -Exports - Noida
Veerpal Kaur	HR- Executive - Noida
Aadesh Manadal	Accountant - Noida
Neeraj Mishra	Deputy Manager - Commercial - Noida
Himanshi Sharma	Hr - Executive - Noida
Birendra Kumar	Executive - Export Documentation - Noida





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