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“Whoever is careless with the truth in small matters cannot be trusted with important matters.”

-Albert Einstein

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# FROM THE MD

Dear Fellow Members of the Sara family,

**B**y the time you will get this edition of Sara Connect, you would have known that Indian economy has fallen to an all time low, with GDP numbers at 5.7%. This is the 7th quarter in a row of decline in GDP growth figures. It seems, surprises have not yet ended. The pessimists are predicting a harsher landing ahead. ! After demonetization we now have GST to deal with. As STL exports 90% of its products getting refund of drawback and other inputs is becoming an enormous task. It seems some more months of belt-tightening will have to go on.

SIPL and MRPL continue to grow at appreciable pace. As the commodity prices have looked up, so have the fortunes of our international mining and trading business. While we are happy at these turn of events but keeping our fingers crossed. !

The next quarter will bring happiness of Diwali festivities and ushers in the chill of winter. I am sure, all of you will enjoy the cool of winter. I look forward to celebrating Diwali, in pollution free environment, with all of you.

With my best wishes,

**D P Singh**

Golf tournament hosted by Sara Group



Steel Bars

## SARA INTERNATIONAL PVT. LTD

### STEEL & METALS

**T**he Government of India has come out with a National Steel Policy that targets steel output to reach 300 million tons by the year 2030. A roadmap has been drafted which outlays focus on laying slurry pipelines for the faster movement of Iron ore fines and pellets. However, this comes as a challenge because the steel mills in India are currently running at a production capacity of only 75% because of the weak demand. Further, the debt-ridden sector needs a strong revival from banks in order to sustain with international competition.

This quarter has seen a slight rise in domestic steel prices mainly due to the demand from export markets rather than local demand. This increase in exports from India is a result of the decrease in exports by Chinese mills because the Chinese government has stopped the small induction furnaces that do not meet the environment norms. Indian flat steel prices are expected to increase by about 5% in the next one month due to increase in raw material prices of Iron Ore and Coal.

Coming to the end of the quarter, Indian mills have become more active in export markets and thereby prices of Hot Rolled Steel Coils have crossed the mark of \$600 PMT FOB to Europe. In fact, European buyers have come back into the market after the summer holidays and prefer buying from India since the Euro has depreciated against the USD. Following the Bengang blast furnace incident, steel futures in China have climbed further. All these factors are giving enough room to Indian steel mills to raise HRC export offers.

We have capped a first trial order for supply of galvanized corrugated steel sheets to various markets in Africa. This is specialized material of very small thickness and will be shipped out from China in the next quarter. After this shipment, we expect to increase more volumes for the Middle East and African markets.



## IRON ORE

Brazilian and South African Iron Ore export volumes grew this quarter by about 10% with most of it going to China. Brazil shipped about 60% of its total exports to China, followed by Europe, Japan, and Malaysia. Similarly, South Africa shipped about 65% of its total export to China, followed by Japan, and South Korea.

Exports from India fell this quarter due to the lack of availability due to long pending mining issues as well as the monsoon season, impacting exports from the West of India. However, bookings for higher-grade ore are already taking place for October shipments to China. Due to increase in coking coal prices, the demand for higher grade Iron Ore is increasing. Further, the environment issues in China have cut down on the usage of low-grade material and made way for transition to high grade ore.

Meanwhile, Indian Mill Scale exports are now focusing on other alternate markets like Japan and South Korea since China is likely to restrict mill scale imports by the end of this year due to emission problems. In fact, China is expected to ban the imports of all solid waste material by the end of this year in accordance with the World Trade Organization (WTO) guidelines.



## CHROME ORE

After the drastic fall in market prices during the last quarter, this quarter has seen an unprecedented increase in prices, which have reached back to the levels early this year. Albanian Chrome Ore lumps 42/40 grade which had reached a peak level of \$410-420 PMT CIF China early this year fell down to as low as \$255-255 PMT CIF China in a matter of only a couple of months and then surged back to \$385-390 PMT CIF China levels by end of this quarter. Chrome Ore markets have not witnessed such volatility before and therefore buyers have become very cautious in taking forward positions. Even in such a volatile market, we have been able to sustain our volumes and have crossed exports of 12, 000 mt in the month of August 2017.

Miners and exporters of lumps are either holding back offers or offering in small quantities as they expect the market to further go up to about \$400 PMT CIF China. Due to small inventory of lumpy material at Chinese discharge ports, the spot prices in China are higher than that of future cargo, as most buyers feel that the market has peaked for the time being and end users in China have indicated that they are not going to chase after high prices thereby bringing the market prices at a standstill.

Similarly, good demand from China has supported the Indian Ferro-chrome in upward correction of prices. Prices of HC Ferro-chrome which had touched 120c/lbs CIF China early this year fell down to as low as 65c/lbs in June and have now regained back to 100c/lbs this month. Depreciation of the USD against the INR also helped in gaining back prices. Most Indian mills believe that there is a possibility of further price-rise on account of strong stainless steel futures in China and a cutback in Ferro-chrome production in China on environmental inspections.



Unloading Chrome Ore in China.



MRPL @ GTE Ahmedabad

## COAL & ENERGY

Indonesian coal prices have been rising significantly since the last couple of months due to strong demand from China. Prices are on an upward trend and prices for 4200 GAR coal which was at \$25 PMT FOB levels has risen up to \$31 PMT FOB levels for September shipments. However, there have been only a few active players in the Indian market at such high price levels. In fact stockists in India are now getting good realizations on their stocks at the port. Currently the market is entirely driven by China and Chinese buyers are ready to pay \$1-2 higher than Indian buyer's bid prices.

South African coal prices have also been very volatile this quarter. There has been a marginal average hike of \$1-2 PMT every week and so this has kept the buyer's aside for the moment. Prices for RBI coal have gone up from \$87 PMT CIF India to \$95 PMT CIF India and this has deterred Indian buyers to take any position at the moment. Traders who are having stocks at the ports are eyeing on profit margins and thereby holding stocks as they are looking to sell at higher prices. At present, Indian buyers are reluctant to accept such high prices amid low demand in monsoon. Further, cheaper domestic coal has become more viable to Indian end users. Moreover, increase in coal supply by Coal India Limited (CIL) has resulted in the fall out of Indian demand for South African coal. It can be seen that volumes of South African coal to India have fallen by 20% in the first half of this year as compared to last year.

As per data, coal imports into India have fallen for the fifth straight month by about 10% as compared to last year during this period.

## MAGNUM RESOURCES PVT. LTD.

MRPL participated in GTE-Ahmedabad from 18th to 20th August 2017. This was the biggest ever Garment & Textile technology and machinery show in the region. The show had a vast display of machinery, equipment, other products & services related to apparel industry. The Exhibition received immense response from the customers from all over the country, which is indicative of future potential in this region.

All of MRPL's principles - Brother, Pegasus, Sip-Italy, Rotondi, Sakho, Eastman & Zoje participated in the show. Ahmedabad being the market for denim & heavy-duty industry, the latest automatic machines such as the pocket-setters; waistband attachments; and loop setters were on display from Sip-Italy that got an excellent response from the visitors. Magnum has supplied fully automatic SIP-ITALY machines for manufacturing denims to Green Garments in Surat. This is the first denim project in Surat with full automation.

Brother displayed their latest digi-flex feed technology-S7300 for heavy-duty application along with their special machines like pattern sewersl button-hole; button-stitch; and bar tack. Rotondi the world leader in finishing machines from Italy displayed their top of the line trouser topper; steam ironing tabl and boiler. The button feeder; button wrapping; and auto jig machines from our principal Sakho also got a good response from the market. Latest machines from Pegaus & Zoje were on display too.

Magnum received a very good response from all its customers in terms of enquiry generation. For MRPL, this has been one of the most promising markets in the last one year and customer's expansions plans here are supportive of MRPL's ambitions for this region.



## SARA TEXTILES LTD.

Sara Textiles presence in the USA market was further enhanced by its display at the New York market week in September'17. Images of the display can be seen showing the new products / techniques developed by the team which were accepted well by the market.

This show is a platform to meet most of the American and Canadian customers, discuss business strategies, and strengthen business relations with existing customers and to get a feel of the business trends expected in next two quarters from these markets.

The market trends this time were not very encouraging as the big brands have cut down on their inventories levels and scaled down their buying as well, affecting the manufacturers who are largely dependent on these markets for a major share of their production capacity.

Sara Textiles has been running its production unit at full capacity till now; however, there are tough challenges visible in near future. The team of Sara Textile is continuously working towards adding new business to the basket to ensure we continue to run the unit at full capacity in future as well.

The plant saw the regular trainings happen for its staff; primarily to improve the techniques of its workers and to increase efficiency. A number of trainings were undertaken with a focus on controlling damage in production output; awareness sessions on quality; and motivation and team work.



## GROUP NEWS

Independence Day @ Sara House was celebrated on 14th Aug and was filled with patriotic fervor. The employees at Sara house enjoyed and enthusiastically participated in the quizzing done on the day. Some of the seniors shared their thoughts and words of encouragement with the employees, motivating them to work diligently.



Mr. Vikrant Sharma  
- Head Service Manager

## KNOWING US

### A brief on your role at Sara

Being a Service Manager at MRPL, I take care of all branch service complaints and ensure that the complaints are attended with in a 24-hour time line. We have the total responsibility for new machine installations; demo's; and AMC's. We monitor service complaints and prepare service reports for review. Also my task is to keep the team highly motivated for good performance.

### How do you see your future at Sara

I am glad to be associated with MRPL and Sara and see tremendous growth opportunities in the organization. I am getting full cooperation from my service team and am very confident to be able to achieve the desired targets.

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

I want to set a benchmark for service Industry. Providing service on time and solving customer complaints effectively is critical to achieve our goals of raising the customer satisfaction bar.

### 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

My idol is Mr. Narendra Modi who is a very active person even at the age of 67 and working very hard towards making India a strong nation.

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

I believe that the most critical element for corporate success is teamwork and technical knowledge of service engineers. If the team is hard working and the members understand their responsibilities and are dedicated to their work then nothing can stop the group from achieving corporate success.



The "Golfing In Paradise" golf tournament was held in Pahalgam and Srinagar from 25th to the 27th of August. Sara Group was the main sponsor of the event as part of its CSR efforts. The event was supported by J&K Tourism, IL&FS, Star Global, RN Golf Management among others.

The event started off with a practice round on the 25th in heavenly Pahalgam with the Pahalgam Golf Course in immaculate condition. Over the next 2 days, golfers from all over the country played in an idyllic environment surrounded by the unparalleled beauty of Kashmir mountains. The tournament was held in 2 parts - In Pahalgam Golf Course followed Royal Springs Golf Course in Srinagar.

The closing ceremony of the event was attended by the top representatives of the J&K Govt. There was a strong sense of commitment to increase the tourism to J&K and dispel the negative image of J&K being a disturbed area. Sara Group showcased the attractions of Kashmir and hopes that this event will become an impetus for an influx of tourists into J&K.



# NEW JOINEES

## SARA INTERNATIONAL PVT. LTD.

**Geetika Sahani Anand**

*Executive Assistant, Noida*

## MAGNUM RESOURCES PVT. LTD.

**V K Prakashan**

*Regional Manager Sales, Mumbai*

**Sarbjot Kaur**

*Office Coordinator, Ludhiana*

**Shakya Saurabh Ramavtar**

*Service Technician, Ahmedabad*

**Zabir Khan**

*Manager - Sales*

## SARA TEXTILES LIMITED

**Rahul Kumar Dwivedi**

*TGT - Merchandiser, Noida*

**Sonam Sisodia**

*TGT -Merchandiser, Noida*

**Shubham Gupta**

*TGT -Merchandiser, Noida*

**Nirmit Gupta**

*Merchandiser, Noida*

**Sanjeev Chopra**

*BDM - Home Furnishing, Noida*

**Praveen Singh**

*Sr. Executive - Accounts, Noida*

**Deepak Phugat**

*Weaving - TGT, Nalagarh*

**Sushil Kumar Gupta**

*Dyeing - TGT, Nalagarh*

**Akhilesh Kumar Bharti**

*Finishing - TGT, Nalagarh*

**Shubham Gupta**

*Weaving - TGT, Nalagarh*

**Kapil Pachauri**

*Weaving -TGT, Nalagarh*

**Vinaya Sharma**

*Preparatory - TGT, Nalagarh*

**Sudheer Kumar**

*Dyeing - TGT, Nalagarh*

**Kapil Kumar**

*Dyeing- TGT, Nalagarh*

**Adesh Kumar**

*Weaving- TGT, Nalagarh*

**Vinay Singh**

*Dyeing-TGT, Nalagarh*

**Sandeep sharma**

*Dyeing- Shift Officer, Nalagarh*

**Vikash**

*Dyeing- Shift Officer, Nalagarh*

**Vivek Kumar Sharma**

*Engg- ETP, Nalagarh*

**Pardeep Kumar**

*Store & material - Assistant, Nalagarh*

**Anurag Yadav**

*Shift officer -Dyeing, Nalagarh*

**Devanshu Patel**

*Officer QA, Nalagarh*

**Manoranjan Roy**

*Manager - Bathrobe, Nalagarh*

**Shubham Singh**

*Supervisor- Commercial, Nalagarh*

**Shri Prakash Singh**

*Shift Incharge - Finishing, Nalagarh*

**Rinku singh**

*Shift Incharge- Bathrobe, Nalagarh*





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