



## From the MD

Dear members of the Sara family,

One can breathe a sigh of relief as the year that has seen so many ups and downs, is coming to its calendar closing. The last few weeks have certainly seen a more stable economic and forex scenario. It looks as if we have reached the lowest end of our economic activity and from here we can only go upwards!!! But I am not too sure, as the Elections of 2014 can come out with a surprisingly unpleasant outcome.

While STL and MRPL continue to do well, SIL still has some way to go to come to terms with the new economic environment. It is because the commodity and shipping markets remain uncertain. Sara's operations in the Balkan regions are certainly widening their wings and hopefully will present a better picture by the end of the current financial year.

Even though we are getting more comfort from the market but the challenges remain. Lowering of our costs and adding to the margins remain two key objectives and it is here that all of you need to play a pivotal role, as I am sure you will...

I do hope that the New Year will come with better prospects, progress, peace and happiness.

I wish you and your family a great New Year!!!

With warm regards,

**D. P. Singh**



*Sara Group Employees participating in the Great Delhi Run 2013*

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Perseverance is the hard work you do after you get tired of doing the hard work you already did.

- Newt Gingrich

## Sara International Limited

### Ores and Minerals

#### Iron ore

The last quarter saw our shipment of iron ore fines on the vessel MV Crown Princess at Haldia and thereafter we have started aggressive buying of more materials from various locations like Jharkhand, West Bengal, and Uttar Pradesh. We are planning for our next shipment to be executed during the first quarter of 2014. After increasing our team strength, we are now looking forward to commencing our operations from two new ports and growing our volumes substantially.

#### Chrome ore

During the end of the last quarter, we shipped Indian chrome concentrate to China, and with this we have ventured into a new segment of chrome trading. Our operations in the Balkans have been slow due to the crackdown on illegal mining and restrictions on the movement of the materials. In fact, the Chinese markets have been discouraging this quarter due to reduction in the buying prices by the big mills and the shutdown of the ferro alloy plants in inner Mongolia. Nonetheless, we managed to ship more than 24,000 MT from our mining operations to China during the last three months and look forward to expanding to new regions like Turkey and Oman.



*Chrome concentrate samples*

### Steel & Metals

Steel markets remained stable during this quarter. Imports have not been viable because of the higher import duty of 7.5%, as well as the appreciation of the US dollar. In fact, import figures have witnessed a drop of 20-25% in the past three months. Commercial grade hot rolled coils are hovering around USD 565-570 PMT CIF levels for main Indian ports. However, importers are not interested at these prices as domestic prices are more competitive and attractive. Local traders believe that domestic steel demand is not very encouraging primarily due to ongoing state elections and also rising inflation in the country. Lower imports of steel have given a support to the domestic prices. During this quarter, we executed another shipment of hot rolled carbon steel hexagonal steel bars to South America. The appreciation of the US dollar has seen the Indian steel becoming more competitive in international markets, however, volumes are still limited due to a general scenario of the slow growth and limited demand.



*Steel hex bars shipped from India to South America*

### Coal and Energy

After regular imports of South African coal at Kandla, we have now ventured into the imports of Indonesian thermal coal and this will be an additional product for our stock and sale business. Meanwhile, prices of South African coal have been very volatile in this quarter, ranging from as low as USD 75/mt FOB RBCT to as high as USD 85/mt FOB RBCT. Such volatility has made the market uncertain and challenging for us to work out our import plans.

Freights have also been on an upward trend, specially for larger vessels like Cape Size and Baby Capes. Due to high price levels and increased freights, Indian coal buyers and end users have preferred to buy material from existing stockpiles at various Indian ports for their immediate requirements as and when needed, rather than booking import cargoes in the spot market. Other consumers are ready to accept cheaper material like South African RB2 grade and Indonesian GAR 3400 coals in order to cut their costs. A recent study showed that major Indian ports are collectively having stocks of over 8.50 million tons as on date.

## Agri Products

### India Sugar Scenario

Sugar crushing starts normally from November onwards in Maharashtra and Uttar Pradesh, the country's top two producing states. But the impasse between farmers and millers over the Minimum Supply Price (MSP) has delayed the start of cane crushing. The longer the situation continues, the greater the impact on production will be, though stocks are comfortable with production likely to be 24.4 million tons and consumption of 23 million tons.



*Raw sugar*

### Sugar Exports

Indian sugar dealers have signed contracts to export nearly 500,000 tonnes of raw sugar between December to February. The delay in crushing is likely to delay shipments by few weeks.

At the same time, traders are looking for the export incentive by Government to start off and compete in the world market.

### India Soya Scenario

Soyabean Processors Association of India (SOPA) has lowered production estimates at 12.23 million tons down by 0.75 million tons due to adverse weather conditions. Traders are finding it hard to meet the standard quality parameters, which is resulting in non acceptance of Indian soya by buyers at the overseas market.



*Soyabean meal*

Sara's own agri-trade has thus had a limited scope this past quarter. Even though, we have actively participated in global tenders for exports from India, the suppressed global prices are making it hard to be competitive on pricing. Even the import scenario on sugar looks tough with excess supply in India and another expected bumper crushing season.

## Engineered Products

We were anxiously awaiting the price bid opening for the government tender for the supply of 280 nos. of tank containers that we participated during the last quarter. We are happy to inform that we have qualified as L1 during the price bid opening. As the tender was a global tender, there were total nine bidders for this tender which included five domestic as well as four international bidders. We along with our principal Nantong CIMC Tank Equipment Co. Ltd., China, outbid all other participants in this tender.

The dollar fluctuation continues to defer all other private rail operators from importing of rail containers. The dollar has increased by more than 10% since June 2013 and as a result has impacted the imports of containers by various rail operators in India. Though the current business market is unfavorable, we have initiated discussion for the supply of tank containers with a major logistics company which intends to start a rail operation of tank containers for the movement of liquids. They are in discussion with us to get associated for the supply of tank containers from our principal CIMC, based in China. Our association with this private logistics company will help establish us as a supplier of tank containers as well. The discussions are on an advanced stage and hopefully will be able to conclude the deal within this month and make a fresh beginning in the new year.



*Horizontal baffled tank container*

## Sara Textiles Limited

A few updates on STL plant: For the long term thriving future of the manufacturing facility, STL has taken up upgradation of machines as a major agenda: replacement of the humidification system of the weaving department is undergoing and scheduled to be completed just as this newsletter gets released. Improvement in the boiler exhaust and burning system contract has been awarded to Thermax and scheduled to be completed by the end of Dec.'13. This new addition will help in providing better fuel efficiency.



*Sara at the Market Week'13, USA*

Annual Day Celebrations: STL celebrated its annual day and Diwali function on 19th Oct.'13. The gala event was organized by the team members which was a great success and there was an award distribution ceremony where the best performers in various fields were awarded. Year 2013 was remarkable for STL where one third of the awards were won by female workers which shows on ground results of our initiative to increase women participation in the STL workforce.



*Annual Day celebrations at the Sara Textiles plant*

Market week September.'13: STL had a good show during this Market week and had roped in few new customers for its premium terry line as a part of business expansion.

Heimtex.'14: STL is geared up for Heimtex.'14 with its new range of towels and innovative products. STL will also introduce the new line of products over and above the towels in this show. We look forward to having a great show.

## Magnum Resources Pvt. Ltd.

Despite the slow demand and faltering market, MRPL continues to move forward and had registered better performance than the same quarter of the previous year. However, the industry is having a good sampling season and there will be a rise in demand but the volatile world economy might become a hurdle.



*Technical seminar at Ludhiana*

MRPL in its continuous endeavor to provide unconditional ever improving technical support to its customers had recently organised a technical seminar at Ludhiana in collaboration with leading brands of the industrial sewing machines, Pegasus & Brother. This initiative was widely appreciated by leading garment manufacturing units of the region and around 30 technicians attended the seminar. Detailed hands on and in depth training was provided in the seminar.

Magnum has received the prestigious high value order for cutting room machines from Welspun, India's largest home furnishing manufacturer.

MRPL will be participating in GTE-14 to be held in Delhi in February 2014, where new lines of innovative & efficient machines for the Garment & Home Textile Industry will be on display. This is going to be the main attraction for the visitors of the show.

## Sher-E-Kashmir



*Chief Minister of J&K- Mr. Omar Abdullah flagging off the event*

Sara Group in association with J&K Tourism department organised the third "Sher-E-Kashmir" golf tournament on 28th & 29th September'13 at the Royal Springs Golf Course.

For the first time, there was mini tournament at the Gulmarg Golf course as well. The main event in Srinagar was flagged off by the honourable Union Minister of New and Renewal Energy, Dr. Farooq Abdullah and the Chief Minister of Jammu & Kashmir Mr. Omar Abdullah.



*Prize distribution by honorable Union Minister of New & Renewal Energy, Dr. Farooq Abdullah*

The Annual Golfing event is a tribute to the Late Sheikh Abdullah, the lion of Kashmir. Renowned golfers and eminent personalities present during the event displayed their passion towards golfing. The event is organized with the aim of promoting both golf tourism and business in the state, and Sara Group aims to continue this tradition going forward.

## Sara Annual Function 2013

The Sara Group Annual Function was held on October 26, 2013 at Hotel Claremont, New Delhi.

The beautifully decorated premises of the hotel was abuzz with activities as the enthusiastic Sara members celebrated their Annual Function. The mood was festive and upbeat.

Mrs. Abha Singh, Mrs. Sapna Dwivedi and Mrs. Kate Singh gave an auspicious beginning to the programme by lighting the ceremonial lamp which was followed by the welcome address by Mr. D. P. Singh, Managing Director, Sara Group.

A quick recap of the group's performance over the last year and the impact of economic challenges was made by Mr. Tushar Singh.

The next segment of the event witnessed some energetic performances from the employees and their family members.

The last segment of the evening recognized and appreciated the employees for their contributions and achievement of business excellence in ways that are consistent with the ethos of the organization.



Mr.D.P Singh, MD, Sara Group, at the inaugural speech during the Annual Function'13

## New Joinees

### Sara International Ltd.

Raj Kumar Tripathi  
*Branch Head - Haldia (Ores & Minerals)*

Anil Kumar Od  
*Manager - Operations (Ores & Minerals)*

R N Prusti  
*Senior Manager - Quality Control (Ores & Minerals)*

Praveen Kumar  
*Dy. Manager - Commercial (Ores & Minerals)*

Sunil Kumar  
*Field Executive - Haldia*

Mani Bhushan Mishra  
*Field Executive - Haldia*

Suvasis Panda  
*Office Assistant - Barbil*

### Sara Textiles Ltd.

Rajesh Pathak  
*Merchandiser*

Himanshu Sharma  
*Merchandiser*

### Magnum Resources Pvt Ltd.

Ashish Mehra  
*CRM & MIS Executive*

Rekha Maurya  
*Office Coordinator - Mumbai*

Sachin Patil  
*Manager - Home Textile (Mumbai)*

Manjeet Singh  
*Service Engineer - Ludhiana*

Parveen Kumar  
*Service Engineer - Ludhiana*

### Sara Group

Sara House, B – 8, Sector 4  
Noida, UP - 201301, India  
Tel: +91-120-466 7272  
Fax: +91-120-466 7201  
E-mail: info@sara-intl.com  
www.saragroup.co.in