

SARAC NNECT

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Indian roots. Global reach.



“If there’s one thing that’s certain in business, it’s uncertainty.”
- Stephen R. Covey

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From the MD

Dear Members of the Sara family,

This is in continuation to what we have shared with each other on our Annual Diwali Celebrations, 2022.

As I had briefed you that evening, due to increasing inflation and a consumption slowdown in the Western markets, demand has taken a steep dip. As a result, we are finding it difficult to use our 100% capacity in Textiles, and also see a order slow down in Magnum and Sara International. The economy of the whole world is going through a very difficult time. I feel that unless the war between Russia & Ukraine comes to a peaceful resolve, volatile times will continue.

There is also an economic bottleneck in the relationship between America and China. As a result, China is now growing at sub 5% and is no longer an economic engine of the world. We have to keep tightening our belts to ensure that our expenses remain within the new norms of curtailed economy and wait for good times to come.

The New Year is in the offing and I am sure 2023 will be better and more prosperous for all of us.

With my best wishes,

D. P. Singh



Sara International Pvt. Ltd.

Steel & Metals

India's crude steel output rose by 2.56 per cent to 30.06 million tonne (MT) during the July-September period of the ongoing financial year. As per research firm SteelMint, the top six steel makers -- SAIL, Tata Steel, JSW Steel, JSPL, AMNS India and RINL -- produced 18.29 MT steel, the rest 11.77 MT came in from the secondary sector.

The domestic consumption was 11.33 per cent higher at 27.52 MT, as against 24.72 MT in July-September 2021.



On the outlook for the sector during the running October-December quarter, market reports said "the production is expected to increase in the quarter as mills have resumed production after a brief maintenance shut down taken in the last quarter." According to other market reports that exports will continue to remain low in the third quarter owing to the export duty and subdued global market because of high energy cost and inflation.

On May 21, the government hiked the duty on exports of iron ore by up to 50 per cent and for a few steel intermediaries to 15 per cent. It also waived customs duty on the import of some raw materials, including coking coal and ferronickel, used by the steel industry. The move was aimed at

increasing the availability of these raw materials for the domestic manufacturers.

It remains to be seen how the festive demand pans out with automakers expecting the season to boost sales. Also, resumption of construction activities would augur well for steel demand.

Iron Ore

State-owned mining giant NMDC has left the prices of lump ore and fines unchanged for the third time in a row.

In a regulatory filing, NMDC said it has fixed the prices of lump ore at Rs 4,100 per tonne and that of fines at Rs 2,910 a tonne with effect from October 8, 2022.

Iron ore is one of the key raw materials used in the manufacturing of steel. Any movement in the prices of the mineral has a direct impact on the rates of steel, which has been a matter of concern for user industries for the past few months. The company had fixed the prices of lump ore and fines at Rs 4,100/tonne and Rs 2,910 per tonne, respectively. The prices were unchanged at its next announcement. Research firm SteelMint said, "This is a rollover as compared to the last month. Iron ore prices and sales have been under pressure after government had imposed 15 per cent export tax. The Indian iron ore production has dropped by around 20 per cent since duty."

The rates exclude royalty, District Mineral Fund (DMF), National Mineral Exploration Trust (DMET) levies, cess, forest permit fee, and other taxes, NMDC added.

Hyderabad-based NMDC (formerly known as

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National Mineral Development Corporation) is India's largest producer and seller of iron ore.

The company, under the Ministry of Steel, accounts for around 17 per cent of the country's annual iron ore output.

We have been closely monitoring the market trends and are waiting for the right opportunity to conclude some export deals in the coming months.

Chrome Ore



Chrome ore prices in China have been under continued pressure in this quarter as well, due to a fall in stainless steel prices on account of sluggish demand, as well implementation of the zero-covid policy leading to a slowdown of economic activities in some major cities, and significant depreciation in RMB vis-à-vis the dollar. Due to a demand-supply mismatch, stainless steel production cuts have reduced the demand for Ferro Chrome which has resulted in lower prices of Chrome Ore.

After the mid autumn festival, the Chinese spot inquiries have been more active, especially at Tianjin Port. However, end user demand is still slow and this is causing a mismatch in price expectations. Albanian chrome ore market inquiries are sluggish amidst low buying interest. Even a price correction has not led to any increased buying activity.



Exports from Albania remained low during this quarter in view of the low demand from China. Volumes in July'22 & Aug'22 remained very low, however volumes in Sep'22 did improve. In view of all these challenges, we managed to export only about 10,000 metric tons this quarter.

Our South African operations seem to finally moving in the right direction with shipments now taking place every month since August. In a fiercely competitive market like South Africa, we have been patient to get our foot in the door and establish ourselves.



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However, the challenges have been relentless, with the latest one being the recent one is port strike at Durban.

Despite the same, the past quarter, we managed to export both high and low grade ROM and have a target to ship out 15,000 metric tons in the next quarter.

Coal & Energy

South African coal exports have gained from the impact of the Russian invasion of Ukraine on February 24 and that trend is likely to continue in the medium term.

The very unfortunate Russian invasion of Ukraine has ironically been a big support to the coal market. Seaborne prices have almost quadrupled as European countries have looked to reduce their reliance on Russian coal and gas supplies.

The EU has already adopted a raft of measures to mitigate the crisis, including a pan-EU deal to cut gas usage by 15%, which has further increased the demand for coal.

Before Russia invaded Ukraine, Germany relied on Russia for 55% of its gas. It has reduced this to 35% and wants eventually to reduce imports to zero, so the switch to South African coal imports is a multi-year trend. Germany is also increasing its use of coal and extending the life of coal-fired power stations that were due to shut, despite the negative environmental impact.

South Africa is one of the key alternative sources for European buyers.

In the fourth quarter this year, the share of South African coal exports going to Europe could be as high as 50% as South African coal producer's switch

to more expensive high calorific value (CV) coal from the low CV coal used by Indian and Pakistani consumers.

However, a continuation of low rail shipments due to parastatal Transnet's subsidiary Transnet Freight Rail's woes into the fourth quarter could worsen the European supply risk. And the current Transnet strike will hamper coal exports via rail and South African ports, so coal producers will switch to the alternative of road transport to Maputo.



Magnum Resources Pvt. Ltd.

The Home and technical textiles team is very proud to announce the installation of first of its kind "Extendor machine" from our Spanish Principal, Lidem Constrcciones Mecanicas S.I. The machine was supplied to a premium bed linen manufacturer in South India and is highly customized to suit the customer requirement and is able to bring speed, efficiency and lesser manpower engagement to their Cutting process.



The Magnum and LIDEM team post installation of the Extendor machine

Over the market sentiments have been slow and the past quarter was a challenge. With a consumption slow down in the US and Europe, our export focussed customers held back on all CAPEX decisions and expansion plans.

Even the domestic focussed manufacturers had a slow quarter owing the liquidity crunch in the domestic market and inventory overhand. However, we believe that the coming quarter should be better.

Sara Textiles Ltd.

Solar energy is a powerful source of energy that can be used to heat, cool, and light homes and businesses.

More energy from the sun falls on the earth in one hour than is used by everyone in the world in a year.

In line with the move towards a renewable and sustainable source of energy, Sara has setup its solar panels at the factory.



Solar panels on the roof top of the Baddi unit

The overall market sentiment for textiles exports remains slow. Unrelenting inflation in Europe and the US, the Russia-Ukraine war and a subsequent slowdown in consumption, has led to lower order volumes as well as delayed shipment requests from customers. While some markets like the middle east are doing better, our largest market share comes from the West.

Efforts are on to diversify our market share into the middle east as well as target Russia as a market of massive potential.



The senior STL team in a brainstorming session



Winding Machine

Yarns are transferred from bobbins, rings, and hanks into a more convenient packaging winding operation must be geared to give the best possible economic performance of the whole process of fabric manufacture.

Winding is more than just transferring yarn from one package to another. Further functions of winding are to check the yarn and to eliminate any faults found.



Rapier Loom

Rapier machines weave more rapidly than most shuttle machines but more slowly than most other projectile machines. An important advantage of rapier machines is their flexibility, which permits the laying of picks of different colours. They also weave yarns of any type of fibre and can weave fabrics up to 110 inches in width without modification.

A stationary package of yarn is used to supply the weft yarns in the rapier machine. One end of a rapier, a rod or steel tape, carries the weft yarn. The other end of the rapier is connected to the control system. The rapier moves across the width of the fabric, carrying the weft yarn across through the shed to the opposite side. The rapier is then retracted, leaving the new pick in place



Group News

Corporate Yoga & Wellness Program

Health is the greatest wealth, therefore the main intention of our program is to make each and every one aware of the importance of good health. Our yoga sessions helps us to stay calm, creative, spontaneous strengthens the mind, improves focus, enhances our decision making and problem-solving skills.

Refresh Our mind, soul & body, elevate our soul with yoga, Boost positivity, productivity & creativity. Motivational speed to supercharge our mind.



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Ms. Suja Biju

Senior Manager Documentation,
Department- Commodities.

1. A brief on your role at Sara

I am responsible for all export documentation in the Commodities Division in SIPL. I am primarily responsible for supporting export activities, overseas documentation preparation, managing as well as executing of commercial documents in accordance with export orders/ LC's, and handling record keeping requirements to support timely payment of shipments.

Creating, assembling and presenting applicable export documents required as per country specific destinations in accordance with export laws and regulations is a core part of my role too.

2. How do you see your future at Sara

I joined Sara Group in 2006 and I really enjoyed working here in Sara Group. I got full support and advice from the Management and the team to grow here from the role of an executive to Sr. Manager. I wanted to continue here in Sara Group and will use my past experience and skills to grow, ensure smooth functioning and development of the company. I will thrive as a winning team member, to make the company profitable and a market leader in the industry segment.

3. Your goals while in your current role at Sara

My goal is to make the department, the most successful department within the company. Grow personally and professionally and support the team & management to achieve the goal of the company. Strictly adhere to all quality policies, as well as the mission & vision of the management.

4. Your perfect get-away

Spend time for Prayers and Spiritual Rituals. Also spend time with family during leisure time.



5. Your idol in life and why

My father- He was very sincere and hard working. He always displayed positive thinking and was capable to handle any kind of situation/ challenges in life.

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

Always satisfy/delight the customers. Satisfied customers will add more customers. Success of any organization is the quality of its employees. Setting quality policies and adhering to them.

Bringing innovative ideas and new technologies to make the business profitable and providing immediate resolutions to any problem.

“ I will thrive as a winning team member, to make the company profitable and a market leader in the industry segment. ”

New Joiners

Sara International Private Limited

Sanjay Patwal DGM. Commodities - Noida

Magnum Resources Private Limited

Jagroop Singh Sharma. Senior Service Engineer - Noida

Praveen Singh Service Engineer - Noida

Sara Textiles Limited

Ranjan Kumar Das. Deputy Manager - Commercial - Noida

Rupesh Kumar TGT - Merchandiser - Noida

Tarun Kumar TGT - Merchandiser - Noida

Neha Kashyap. HR Manager - Noida

Gurleen Kaur. EA To CEO Cum Marketing Merchandiser - Noida

Yogesh Joshi Sr Executive Account - Noida

Kamlendra Kumar Jha Additional Commercial Manager - Noida

Sunil Jagobaji Parate Business Development Executive - Noida

Vikas Kumar. Merchandiser - Noida





Indian roots. Global reach.



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