

# SARAC NNECT

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“Almost every significant breakthrough is the result of a courageous break with traditional ways of thinking.”

-Stephen Covey

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- The general slowdown presenting headwinds for the textiles sector
- Costs and risk management will be key as the new financial year begins
- Sara textiles coming out ahead despite the challenges
- Magnum showcasing the best in class automation solutions
- South Africa leading the way for commodities

## From the MD

Dear Members of the Sara family,

We are ending the financial year 2022-23 with a mixed feeling. Despite chaotic international commercial and political scenarios, we have been able to withstand its fallout. Implications of this upheaval on the Indian Industry can be adjudged from nearly 18% fall in the Sensex and a 12% fall in exports, this year.

Even though the Apparel and Textile Industry is facing the slowdown in Europe and US, we have done well at Sara Textiles. This makes us feel that we have withstood the market pressure. This has also encouraged us to look at expansion in the financial year 2023-24.

MRPL is a major player in the field of apparel industry, but is also diversifying fast so that the pain of being only in the one segment of industry is mitigated.

The South African operations of SIPL which have been dormant for last few months are now on the upswing. This should result in an increased in our Chrome, Manganese and iron ore volumes.

The coming year, as we all know, has lot of uncertainties in store and therefore we need to be extremely cautious as we move ahead. The costs need to be kept under control, and the focus should be on taking a higher a market share from a stagnant market.

Looking forward to a great year ahead!

With best wishes,

D.P. Singh

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## Sara International Pvt. Ltd.

### Steel & Metals

The western region leading Indian steel producers are looking to raise prices of hot-rolled coils by ₹1,000-₹2,000 for March, people aware of the development said, and taking prices of HRCs to the ₹60,000-₹62,000 per tons range.

A few large steel makers had hiked prices by ₹500-₹1,000 in February as well. Price hikes in March are likely to be higher in companies that had not hiked prices in February, according to the sources.

The average prices of steel in February were around ₹59,500 per tons, about ₹1,700 higher than the average price in January, Nomura said in a report.

The March quarter is a seasonally strong period for domestic steel makers as infrastructure and construction activities pick up during this period.



This time around, realizations for companies will also be boosted by improved demand from export markets after the government of India withdrew the export duties imposed on finished steel products in November. The March quarter will be the first full quarter without the impact of these duties this fiscal year.

In January, steel exports surged to an eight-month high of 750,000 tons, up 33.5% on month, as per market sources.

Globally steel majors, including Baosteel and Ansteel of China, and China Steel Corporation of Taiwan have raised prices of steel for March shipments, and domestic prices are now at par to the landed cost of imports from Far East countries.

While prices of coking coal and iron ore have remained high for some time now, the price hikes by domestic steel players will be supported by demand in the local markets and price hikes by players in regional markets outside of India.

Steel companies generally hike product prices when the cost of raw materials goes up, but whether these sustain depends on the demand and market conditions. As of now, most large steel companies are operating at nearly full capacity, indicating that demand is robust, sources said.

### Iron Ore

India's Iron Ore Exports started surging mainly after the withdrawal of tariffs on iron ore and pellets in late-November last year.

Better prices and higher demand from China saw India's iron ore export in February reach 3.81 million tonnes (mt), one of the highest since January 2022.

Exports rose 172 per cent, year-on-year (1.40 mt in February 2022) and 12 per cent sequentially (3.42 mt in January 2023).

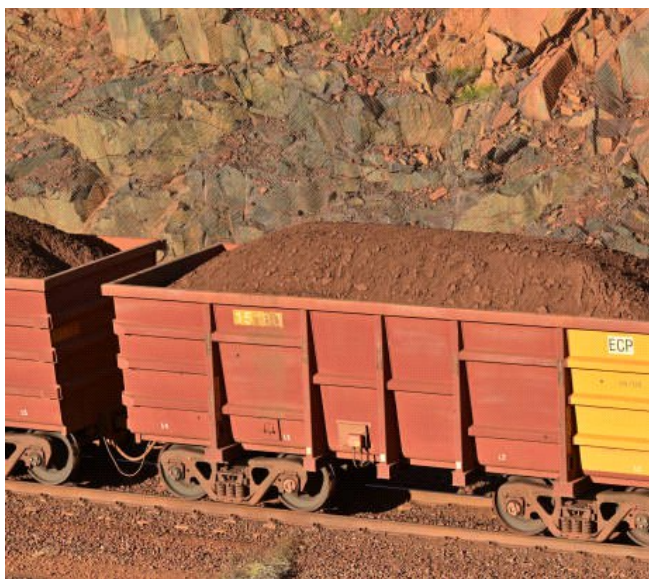
According to trade data by the leading research firm, India's two-month export in 2023 stood at 7.23 mt, almost half of last year's exports. Exports in 2022



were 15.93 mt.

Export of the key steel-making raw material had plunged nearly 60 per cent y-o-y in 2022, from over 37 mt in 2021.

Trade data suggest that in February, fines and lumps sales were 2.88 mt, while concentrates and pellets export was 0.93 mt. Interestingly, in February last year, fines and lumps export was 0.17 mt; and pellet and concentrate export was 1.24 mt.



According to the data, China was amongst the largest buyers, accounting for nearly 77 per cent of the shipments in 2022 and, around 92 per cent of the shipments (3.5 mt) in February.

China's reopening has been a key driver of global raw material prices and the benchmark (iron content 62 per cent) Australian iron ore fines prices recently touched \$130 per tonne in China.

However, spreads for steel mills (in China) have narrowed at the same time and so low-grade iron ore – Indian ore (of iron ore Fe57 per cent or below) – is preferred choice for steel-makers mainly for blending and reducing costs.

## Coal & Energy

SAIL open to new lower priced coal sourcing avenues, The company is already sourcing lower priced coal from Mozambique and Russia.

The Steel Authority of India (SAIL) – the largest steel-making PSU in the country - is looking at new coal-sourcing avenues for its plants. The company is already sourcing from its joint venture in Mozambique at a lower price; and has started using Russian coal, which it gets at a discount.

According to Anil Tulsiani, Director Finance, SAIL, coal from the JV – International Coal Ventures Ltd – is "not as good as Australian (coal) or coal from the USA.

"SAIL has got a company, ICL, which has got its own mines in Mozambique. So though the coal quality is not as good as Australian or US coal, we are getting it at a comparatively lower price.," Tulsiani said during post-earnings investor call. "So, I think the more we find avenues with other suppliers of coal, this will put pressures on the regular suppliers who are playing a part in the Platts Index. It will put pressure on them to also bring down the prices to some extent.





China opening up again, post Covid restrictions being withdrawn, it has started to procure coal from Australia after a gap of nearly three years. So, naturally there are concerns on coking coal prices moving up on the higher side.

For the steel industry, the price of fuel dictates the cost of production for major producers. India, the world's second largest steel producer is also the largest importer of coking coal. Import bills for coking coal across the industry are expected to be around \$25 billion.

"The increase in coking coal prices again is threatening to increase our cost of production in the current quarter. However, the simultaneous improvement in the steel prices is expected to cover up the same," he added during the earnings call.



## Magnum Resources Pvt. Ltd.

Magnum's joint venture in South India, A.M. Automation, inaugurated its state of art showroom spread over 9000 square feet in Tiruppur, Tamil Nadu. A private show was also organised in the month of Feb to mark the beginning where over 300 customers visited the showroom over a period of three days. The display covered the the entire automation solutions that are very much the need of the hour. Some of the cutting edge solutions on show were the Automatic Hanging System from Sunrise, Automation from SIP Italy for Denim, Automation for Knits Garment from Supreme, Sagko and Automatic Folding & Packing machines from EPA.

Magnum also participated in the "Intimasia" exhibition held in Mumbai in March which is the largest exhibition for Intimate Apparel Industry. The leading manufacturers of Intimate wear brands participated in the exhibition and we were able to make greater inroads into this new industry segment.



As part of our home textiles division, the company successfully installed its first automatic Cutting & Spreading machines at one the biggest leading home textile manufacturer in India from our partner LIDEM of Spain.





The first automatic folding & packing machine from EPA, Turkey was also sold to an existing customer based in Delhi.

The overall market sentiment remains sluggish with most customers pushing out CAPEX to quarter 2 of the new financial year. However, the acceptability of automation solutions is growing and we excited with the new array of our products to become leading automation solutions providers to our customers going forward.



## Sara Textiles Ltd.

Sara Textiles Limited is a State-of-the-Art and composite Terry towel manufacturing unit Of Sara Group and operates from economically backward area of Nalagarh, Himachal Pradesh. The Company enjoys commendable presence and has substantial market share in the textile Market of Europe, Central Europe, USA and Middle East. It also produces Bed linen, Jersey fitted sheets, made ups and other accessories. The company can offer one stop store for all kinds of Bathroom accessories & Home Furnishings. The Company is pride of its professional management, Upgraded technology, excellent quality control infrastructure & Up-to-date Logistic management to ensure seamless supply chain from raw materials to the retail shelves.

A Government Recognized star Trading house and a vertically integrated global Home textile leader, exporting over 95% of its production to more than 30 Countries including Europe, U.S.A., Australia, New Zealand & far East. A Responsible Organization committed to environment, community, and innovation. Capacity of 450 MT/ Month (24 Jacquard & 46 Dobby).





## Group News

### Republic Day Celebration





## Holi Celebration

Holi has a huge cultural significance in Noth India. Colours are an integral part of one's life, especially to break the monochromic aspect once in a while. What's better than celebrating Holi, when you talk about colours. Holi is a colourful Hindu festival that celebrates love, spring and the victory of good over evil.

It's the perfect chance to show your loved ones what they really mean to you.

Holi is also considered as a spring festival as it is observed when the fields are ready for harvest, giving the hard-working farmers a reason to celebrate.



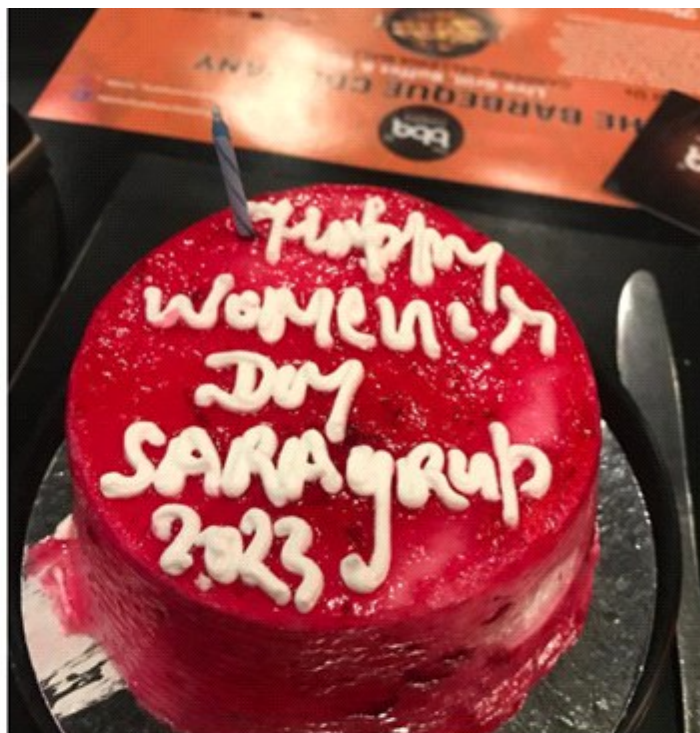
*Embracing the colours of Holi, embracing happiness.*





## International Women's Day Celebration

Sara Group salutes all the women who are doing wonders all around the Globe and making their Nation proud.



*Sara Group Celebrating women's achievements and contributions*



## Magnum Annual Conference 2023

Sara Group's MRPL division has conducted two days Annual Conference 2023 where all the team members of regional branches came and participated. It also marked a one year journey with the consultants for "Scaling Up", which is helping the company setup a world classes processes and KPI's move towards its five year goals.

On the last day of the event, our Managing Director Mr. Tushar Singh talked about the three year goal for the company, the challenges of the last one year and the learnings.

Mr. Akshay Sharma, the CEO & Executive Director shared the results of FY 21-22 and also discussed with the HODs and branch heads about their plans for the Financial Year 2023-2024.



*Welcome Speech and Opening Remarks by the MD & CEO*





*Presentation by a Team member*



*The Team Photo*



## Birthday Celebrations

A workplace celebration brings the team members together for one purpose: The celebration helps create a sense of team unity and makes them feel valued & recognized. The celebrations often have a relaxed atmosphere, where colleagues are able to get to know one another beyond the work they do together. The personal connections may help the employees work together better on future projects.



*Monthly Birthday Celebration*



## Akshay Sharma

Assistant Manager-Business Development-  
Sara Textile Limited.

### 1. My role at SARA

This is my 3rd stint with Sara Textiles Limited team and working as Assistant Manager Business Development for the last 4 years and assisting the team in marketing, business development and acting as interface between buyers and the production team, thereby taking care of varied activities from order receipt until complete merchandise is made ready and shipped to buyer.

### 2. Future in SARA

Looking forward for consistency and as an active team member in any role that the management deems suitable, want to be remain a flexible team asset and aspire to take up next level team leadership roles

### 3. Goal

Long term goal to retire as a satisfied professional and personal all round achiever with take always as great relationships on both personal and professional front.

### 4. My perfect get-away

My ancestral house where I spend most of the holidays with my family.

### 5. Idol

I see all good traits as Idols that I come across in anyone, as there have been many teachers, family members, friends and colleagues whose philosophies have motivated and inspired me.

### 6. My perspective of the most critical element for corporate success

Trust and a positive belief system are two pillars on which most successful teams can be built upon.



“ Long term goal is to retire as a satisfied professional and personal all round achiever with take always as great relationships on both personal and professional front. ”

## New Joiners

### Sara International Private Limited

Kushagra Rajvanshi . . . . . Assistant Manager - Accounts/Finance - Noida

### Magnum Resources Private Limited

Gaurav Verma . . . . . Sr. Executive - Digital Media & Graphic Design - Noida

Shorn Philip . . . . . Assistant Manager - Service - Bengaluru

Girish Kumar . . . . . Executive - Spare Parts - Noida

Deep Pal Singh . . . . . Regional Head NCR - Spare Parts - Noida

### Sara Textiles Limited

Rakesh Kumar . . . . . Officer - Quality Assurance - Nalagarh

Amit Jakhar . . . . . Assistant Manager - Designing - Nalagarh

Yogendra Kumar . . . . . DGM - Production - Nalagarh

Kishori Lal Thakur . . . . . Executive - Quality Assurance - Nalagarh

Ajay Kumar . . . . . Supervisor - Production - Nalagarh

Sanjay Kumar . . . . . Deputy Manager - HR - Nalagarh

Judhirsthir Ghosh . . . . . Officer - Quality Assurance - Nalagarh

Vineet Kumar . . . . . Officer - Quality Assurance - Nalagarh

Praveen Kumar . . . . . Officer - Quality Assurance - Nalagarh

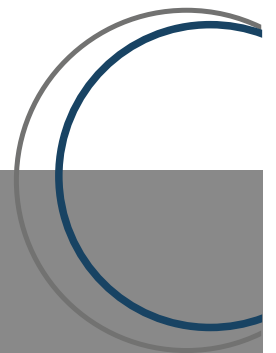
Deepak Garg . . . . . DGM - Quality Assurance - Nalagarh

Pallavi Bhatia . . . . . Merchandiser - Marketing - Noida

Preeti Kumar . . . . . CFO - Finance - Noida

Rajat Pandey . . . . . Sr. Merchandiser - Marketing - Noida

Prashant Kumar . . . . . Sr. Merchandiser - Marketing - Noida







Indian roots. Global reach.

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