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To bear trials with a calm mind robs misfortune of its strength and burden.

- Seneca

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Dear members of the Sara family,

These are difficult times and in many ways unprecedented. Just as we had started feeling comfortable and hoping that the businesses would start growing, another turn of events come in our way. Earlier the group had stabilized after facing the headwinds of economic distress, and we now find ourselves helpless in the hands of Corona Virus!!!

Even though the Government of India has performed much better than those of many other countries, the effects of Corona Virus will be mild to severe depending on how it spreads not only in India but worldwide. We can only pray that this evil virus comes under control in the near future. The lockdown in India is sure to have severe economic consequences and will impact the group's health. Therefore, it is my advice to all of you to please start cutting costs in any activity you are doing. Be it electricity, travel, transport, purchase and consumption of raw materials, we must start lowering our cost. If we don't do this, we may find ourselves in a much more challenging situation, coming out of which would be time consuming and extremely tough.

I also request each one of you to take all the precautions to save yourself from this Virus. Our HR team has been advising from time to time on guidelines. Please do not take them lightly and follow the recommended precautions and best practices. You and your family's health is of great concern to us. Therefore, please look after yourself by following the direction of the government in the best possible way.

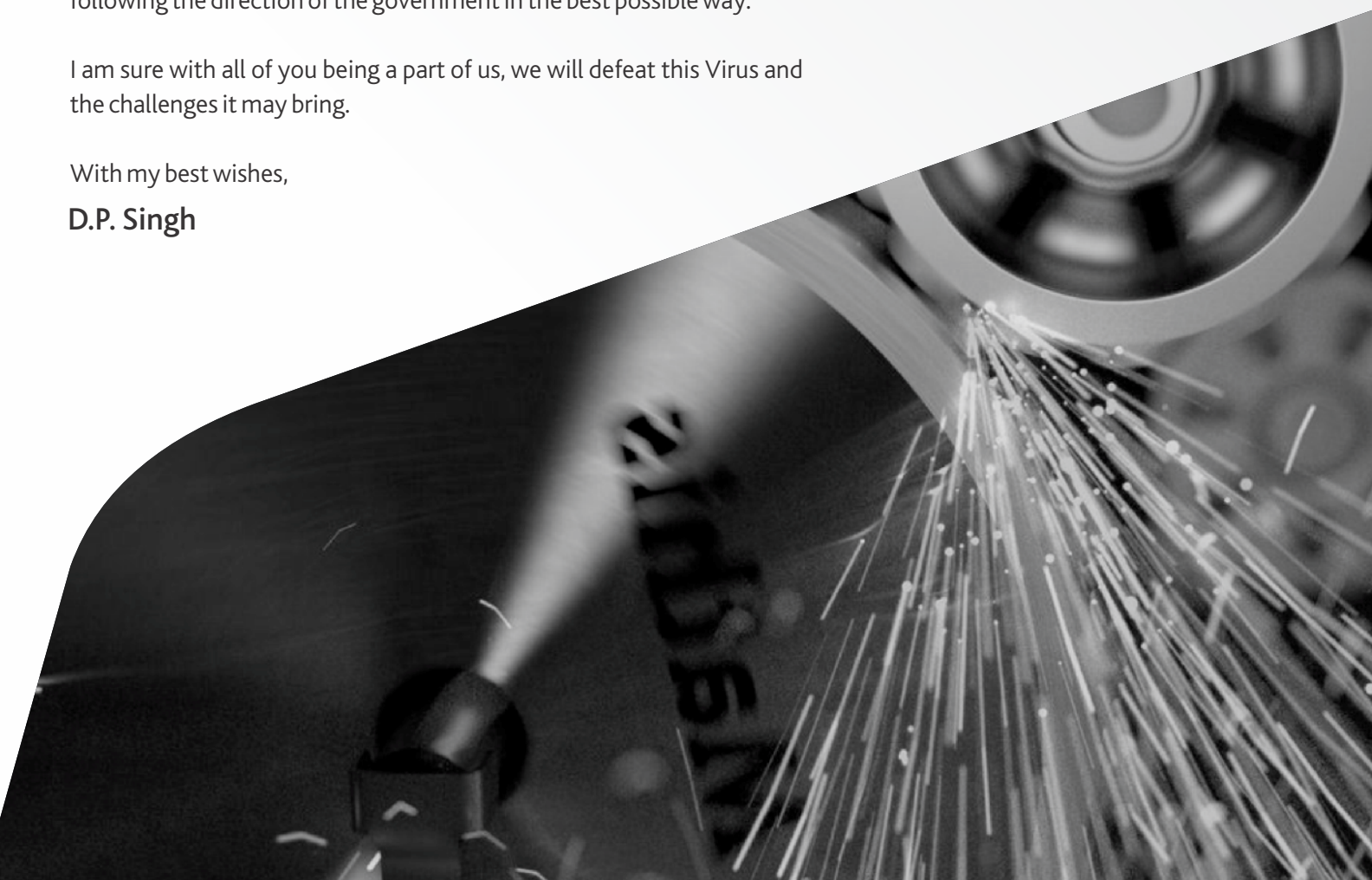
I am sure with all of you being a part of us, we will defeat this Virus and the challenges it may bring.

With my best wishes,

D.P. Singh



FROM THE MD



STEEL & METALS

Steel markets have been quite stable this quarter mainly due to the balance demand/supply scenario and stable prices of primary raw materials like iron ore, steam coal, and coking coal. In fact, Indian producers saw better export demand because of the early closure of Chinese steel mills owing to the Corona Virus outbreak and the Chinese New Year holidays. Moreover, the depreciating INR has further helped to boost exports from India.

On a longer term outlook, steel fundamentals in India remain to be strong. Many large steel mills had won the Iron Ore blocks during the latest e-auctions, with bids ranging from a premium of 90% to 150%. These mills are aggressively looking forward to securing their raw material sourcing for future productions. With the entry of new companies in the market, and supported by capacity expansions of existing mills, one can look forward to an increase in steel output by India.

As far as production is concerned, Indian crude steel production increased to 111.24 million tons in the year 2019 as compared to 109.27 million tons in the year 2018, an increase of 2% year-on-year. India maintained its position of being the second largest crude steel producer in the world after China. The world's total crude steel production touched 1572.31 million tons in the year 2019.

Towards the mid of March, however, it looked like all the best laid plans would be facing trouble. With the spread of COVID-19, India has also announced a three week shut down from 25th March 2020 that encompassed all offices, factories etc. It is too early to know what would be the economic impacts of this over the short, medium and long terms, but bracing for seriously tough times is a wise decision.

IRON ORE

After shipping out two vessels of Iron Ore Fines from Paradip Port last quarter, we have done one more shipment from Gopalpur Port during this quarter. In Jan'20 the vessel MV Christina loaded 60kt destined for North China. With this, we have successfully completed four shipments this financial year and are focusing on more shipments for the next quarter.

Chinese markets were closed for a few weeks on account of the Chinese New Year holidays and then due to the COVID-19 outbreak. Thereafter the demand has been good from Chinese buyers which has helped the index to remain stable. In fact, China's crude steel production has increased by about 7% in the year 2019 which has boosted the demand for imported iron ore, both fines and pellets.

India exported about 19.14 million tons of Iron Ore fines in the year 2019 as against 10.53 million tons in the year 2018, thereby marking an increase of 82% year-on-year. Similarly, Indian pellet export volumes in the year 2019 was 13.01 million tons, which is higher by 59% on yearly basis as against 8.19 million tons exported in the year 2018. The coming year 2020 also seems promising for Indian Iron ore business as mines are set to increase production in order to meet the global demands.



Stuffing of Chrome Ore (ROM) at Durban Port, South Africa

CHROME ORE

While sentiments of steel and iron ore markets remained to be strong, the Chrome Ore markets were weak during this quarter. First, due to the Chinese New Year holidays, and then followed by the COVID-19 outbreak, the demand for stainless steel came down sharply which caused the slowdown in the Ferro Chrome industry followed by drop in Chrome Ore prices. Because of this, inventories of Chrome Ore at Chinese ports touched a record high of 4 million tons thereby creating an oversupply situation and causing a panic amongst traders / stockist.

On the pricing front, the prices for Albanian lumpy fell from \$210-215/mt CIF levels to \$185-190/mt CIF levels, a fall of about 12% in a matter of four weeks. Similarly, prices of South African UG2 grade fell from \$130/mt CIF levels to \$115/mt CIF levels, mainly owing to the depreciation of the South African Rand, however volumes still remained very low as buyers expect prices to further go down in the coming weeks.

Our export volumes from Albania remained low this quarter due to the falling market prices. The logistics costs at Albania remain to be high which is not viable for the miners to further reduce prices. As such, we have continuously been focusing on sourcing from new origins and have recently done a trial shipment of 500 tons Chrome Ore (ROM) from South Africa to China. We now look forward to gradually increasing our export volumes from South Africa.



Mv Christina - Discharging IOF in North China

COAL & ENERGY

India is a major coal importer, especially non-coking, and has registered a considerable increase in the year 2019. According to import data, India's total coal imports have registered a rise of 4.22% year-on-year and stood at 245 million tons in 2019, as against 235 million tons in the previous year 2018. Due to the stringent mining regulations in India, the country is becoming more and more dependent on imported coal. New power plants are coming up at coastal regions, steel mills are expanding production, domestic coal mining is not able to meet targets; these are some of the factors which are responsible for increase in coal imports.

The country has been trying to increase domestic coal production in order to reduce the dependency on imports. The government has set a target of 1.5 billion tons domestic coal production by the year 2024, and also allowed commercial mining as well as Foreign Direct Investment in the coal sector in order to increase the output.

We have recently sold most of our stocks of South African Steam Coal lying at Kandla Port and are now looking forward to buying some more imported coal in the next financial year.

MAGNUM RESOURCES PVT. LTD.

This quarter, Magnum participated in GTE 2020, one of the largest exhibitions for garment machinery solutions in India, held in Delhi from 10th Jan to 13th Jan. Our booth was the largest amongst all exhibitors showcasing the latest technology and machines of our principals like Brother, Pegasus, IMB, Timtas, Eastman, Macpi etc.

Recently, our principal Loiko had launched a colour sensor for the button feeder machines which was displayed for its first time in India by us. Alindair, the world leader in Evaporative cooling systems also displayed their machines first time, after partnering with Magnum for the Indian market.

Magnum has also tied up with Linchuang, a world leader in automatic packing & folding machines. We are going to be its exclusive distributor to promote their product range in India. Magnum has also partnered with Bruce, a leading Industrial sewing machines brand from China to promote their product all across India.

Magnum also led the first successful installation of our principal Timtas warehousing solution for fabric and carton boxes at the largest Garment Exporter in South India.

The company's efforts have been proactive to identify new areas of expansion, focus more on automation and be ahead of the technology curve. However, the garment and home textiles industries in India have been struggling for a few years, and the recent Corona Virus linked shutdown and fall of export demand is likely to further hit the industry materially. We are all waiting to see how this will pan out over the next few months.



Magnum Booth at GTE 2020



Display of products at GTE 2020



Teams in Discussion

SARA TEXTILES LTD.

STL's 2020 Heimtex collection embraced wellness and sustainability alike. Woven with as much perfection as desired, every offering was created responsibly, not only for our customers but also for the nature. We had a great foot fall and secured significant orders in the month of January. However, later half of the quarter was quite cautious due to the Corona Virus outbreak and from past 2 weeks, the industry is in completely uncharted waters due to world over spread of pandemic.

This quarter, Market week, the textile show in New York that was scheduled from 23rd-26th March was also called off. This is the show which is visited by most of the retailers of USA and CANADA for selection of products and style for the later part of the year.

As per Cotton Textiles Export Promotion Council (Texprocil), 11 countries buy 41% of India's cotton yarn exports and these countries have reported COVID-19 cases. Thus, yarn exports are down by 30% in value terms in the months of January-February compared with to same months last year.

India's export of textiles and garments are likely to decline by 40 per cent in coming months due to halt in shipment to Corona Virus (COVID - 19) hit countries.

The spread of COVID-19, especially in the United States, leading markets of Europe like Spain, Portugal, Italy and even the United Kingdom has led to cancellation/deferment of orders on a very large scale. Buyers and major retail shops importing home textiles from India have put development or any further business on hold.

Besides affecting order flows, this could potentially result in renegotiation of realizations as well as lengthier receivables cycle for the exporters.

Closure of shopping spaces and the general advisory by governments to avoid public spaces has paralysed demand, affecting sale of textiles. Several US retailers have temporarily closed their outlets for minimum two weeks beginning 17th March. These include PVH Corp, Vince Holding Corp, Chico's FAS, Tilly's, Guess, J.C. Penny Company and Walmart.

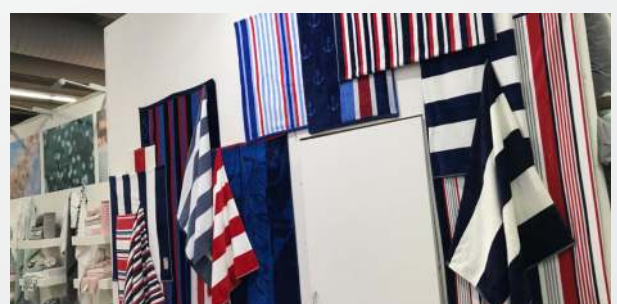
Some brands are even taking the drastic measure of refusing shipments that show up at their facilities. Though there may be consequences depending on supplier contract terms, but still they are taking the risk rather than taking possession of inventory they may not be able to sell.

Share prices of textile-apparel companies in the United States, India, Europe and Hong Kong witnessed a double-digit percentage fall during the fortnight from March 2 to March 17' 2020. Stock prices of Indian textile and apparel retail companies too plummeted.

The company probatively took all measures to safeguard our workforce and the management team against the spread of the Corona Virus. These included temperature monitoring, training to the employees, regular sanitisation drives etc. Various Employee Engagement activities like Banana Brawl, Treasure & Talent hunt, Pass the Bucket were planned and executed in this quarter at the STL plant to motivate people to work together and to develop their strengths.



Sara Textiles booth at Heimtex' 20



STL's new design range

GROUP NEWS

This Quarter, Sara House was filled with colours on the festival of Holi, Holi is one of the important festivals of bliss and enthusiasm. Holi demonstrates the finish of the winters and the start of the spring season. A simple celebration of festival inside office can be awesome as far as advancing a feeling of fellowship among team members.

International Women's Day (IWD) celebrations were also held in Sara House this quarter and our team celebrated the day by giving roses to each of our female employees in the Sara House and taking them out to lunch and a movie. The new millennium has witnessed a significant change and attitudinal shift in both women's and society's thoughts about women. And so the tone and nature of IWD has, for the past few years, moved from being a reminder about the negatives to a celebration of the positives.



Pass the bucket game played at plant

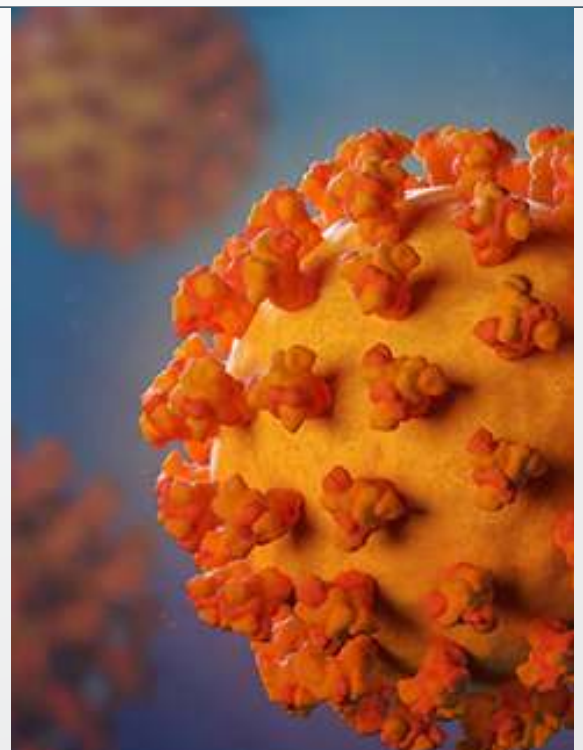


Women's day out

COVID-19 UPDATE

As most of our readers are likely to be aware, India has been on a three week lockdown since 25th March 2020. This means that our offices across the country have been shut. We wanted to let our readers know that Sara group was proactively monitoring the COVID-19 situation globally including it's spread in India. The group was following the measures from end of February 2020 such as hand sanitisation, alcohol based cleaning of office premises, no overseas travel etc. Further, we were well prepared to "work from home" in terms of technology and training.

We wish all our stakeholders and partners courage, safety and good health in these testing times and would like to extend our support and help in all ways possible.



COVID-19 (Corona Virus)



Mukesh Srivastava

AGM Marketing
Sara Textiles Ltd.

A brief on your role at Sara

My role is to identify and develop strategic business relationship with potential customers, working closely with my mentor. To take lead in the development of new business opportunity that supports Sara Textile's overall growth strategy. Be part of developing and executing a strategic business plan that meets or exceeds established sales goals and supports the Company's revenue and profitability targets. Manage existing clients and ensure that they stay satisfied, positive and remain in good standing while promoting growth in sales.

How do you see your future at Sara

My long-term goal involves growing with a company where I can contribute to team, take on additional responsibilities, challenges & contribute as much as I can. I see myself as a top performing employee in a well-established organization like "Sara Textiles" under guidance of management.

Your goals while in your current role at Sara

To use my skills in the best possible way for achieving company's goal. Contribute to overall market expansion, adding new customers, catering to the overall international market. Also contribute to the identification of opportunities for continuous improvement of systems, processes and practices.

Your perfect Get-away

Kasauli a small hill town, a peaceful place surrounded by gabled colonial-era houses, orchards and green-roofed Christ Church. It's a perfect place for a family vacation, offering something or the other to do for all members of the family.

Your idol in life and why

My idol in recent times is Late Shri Abdul Kalam (Ex-President of India). I think after Mahatma Gandhi, India has another great and true leader in him in all respects. He was a selfless man with no personal ambitions but the ambition of the nation to be a great superpower. India 2020 is a great dream. A great potential and a great inspiration to the young & old alike.

Your perspective of the most critical element for corporate success

Business success takes many different elements combining together to create just the right mix of vision, dedication, honesty, transparency & customer satisfaction. Build Customer Trust to Stand Out in a Crowd; this can be achieved by determination, on time delivery, best quality & teamwork.

NEW JOINERS

SARA INTERNATIONAL PVT. LTD.

Rajender Yadav	Driver
Sudhir Mishra	Sr. Executive-Accounts
Rini Singh	Front Office Executive

BATH BOUTIQUE PVT. LTD.

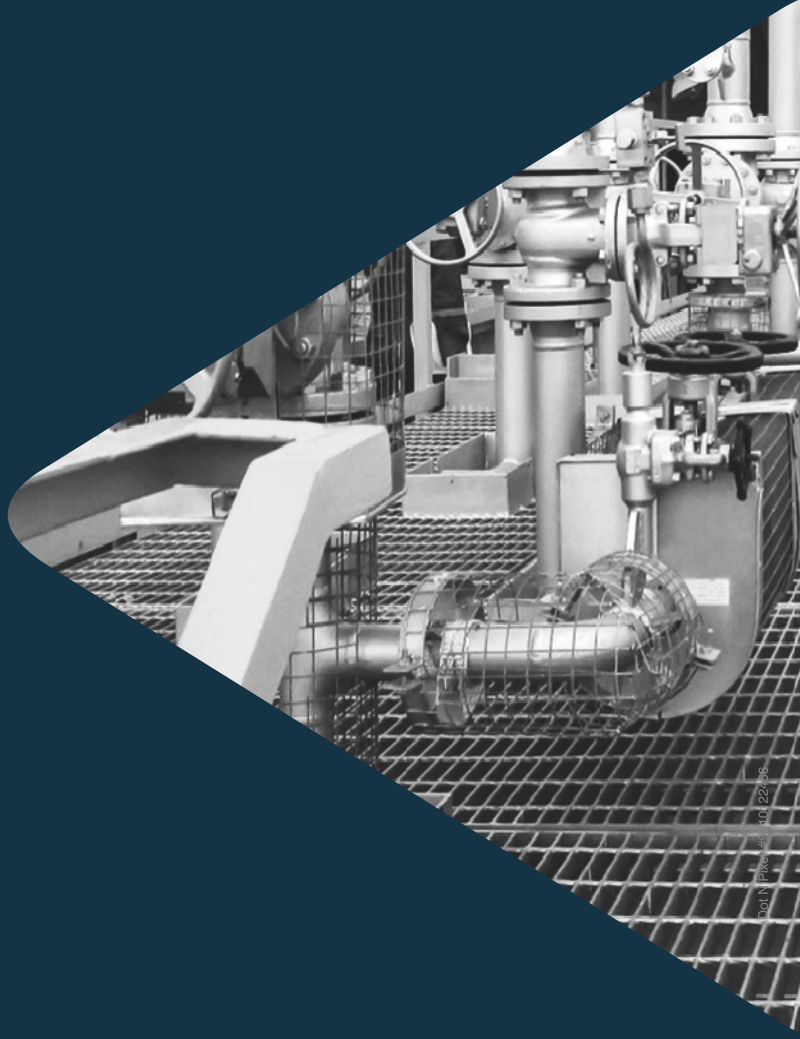
Alok Pandey	Executive Assistant
Subir Lahiri	General Manager

MAGNUM RESOURCES PVT. LTD.

Nishikant Kaushik	Senior Executive-Sales
Sanjay Kumar Singh	Executive-Accounts

SARA TEXTILES LTD.

Devendra Singh Pal	Asst. Merchandiser
Divya Joshi	Merchandiser
Harsh Thakur	Secretary
Mukesh Srivastava	Asst. General Manager
Ekta Mishra	Executive HR
Rozy	Asst. Designer Cum Merchandiser
Sanjay Singh Yadav	Shift Officer Greigh Folding
Amit Singh	Deputy Manager Preparatory
Rajesh Kumar	Inspector Security
Ketan Singh	Sr. Officer IT
Gyan Deep	Shift Officer Dyeing
Yashveer Singh	Store Assistant
Kuldeep Singh	Manager Weaving
Harsh Attri	Officer Quality
Nikhil Sharma	Sr. Executive PPC
Manpreet Singh	HR Assistant
Vicky	Supervisor Quality



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