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The greatest discovery of all time is that a person can change his future by merely changing his attitude.

- Oprah Winfrey

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Dear Members of the Sara family,

As the new year dawns, I would like to look forward to 2020 positively and believe that the next year will bring in prosperity for all of us. Looking back, 2019 has been a tough year due to the economic downturn not only in India but worldwide. Unfortunately, a lot of businesses are failing and old stalwarts are facing tremendous headwinds.

Besides fiscal and monetary problems, it is the social sentiment which is hurting the business. The banks do not trust their customers, sellers do not trust their buyers and the partners in our entire economic world are distrustful of each other. As a result, the investment environment has become extremely weak and consumption is showing negative growth. In these tough times, Sara has been able to keep its head above the water and is finding ways and avenues of growth in newer areas. I am certain that the old ways of doing business will no longer lead to future growth. Every aspect of business will have to be re-invented. We have set a target of 2020 to be stable, to be ready to face more challenges and be prepared for growth as and when green shoots appear.

I wish you and your family a healthy and prosperous 2020 and hope that together we can take the group to greater heights in the years to come!!!

with Best Wishes,

D.P. Singh



FROM THE MD



STEEL & METALS

Steel mills have been under pressure lately because of increases in global iron ore prices. Due to this, the mills had to increase prices of finished goods in order to cover the cost of production. However, demand remained moderate on account of a slowdown in the real estate sector and automobile sectors.

Indian steel mills now fear a disruption in supply of iron ore due to the upcoming mine auctions which will take place in early 2020. Therefore, plants are already stocking material in order to meet their production requirements which has led to a slight increase in the immediate demand.

In a first, India's steel ministry is planning to create 'Integrated Steel Hubs' in various parts of the country. The locations will be based on the availability of raw materials, logistical support, and proximity to demand centers. The idea is to create a model ecosystem for steel manufacturing through world class steel clusters and to promote self-sufficiency, drive cost competitiveness and generate employment opportunities. There will be adequate rail and roadway connectivity to such locations which will enhance the production capacity and modernize the movement of goods & raw materials. This will be facilitated with reliable & consistent power supply along with rationalized tariffs.

IRON ORE

After shipping out one vessel of iron ore fines from Gopalpur port in the last quarter, we completed two more shipments from Paradip Port during this quarter. In Sept' 19 the vessel Mv Merlin loaded 48,000 MTs destined for a river port in China, and in Nov' 19 the vessel Mv Emperor loaded 60,000 MTs destined for North China. With this, we have successfully completed three shipments this year and are working on more shipments for the next quarter.

Prices have more or less remained stable in the last few weeks with some upward trends noticed in the past few days. In fact, miners are worried about the recent auctions coming up in early 2020 and are therefore looking to maximize the production volumes. However, the ocean freights have also witnessed a slight upward movement due to the increased costs of low Sulphur fuel which will become applicable from Jan'20. This has led to some inconsistency in freight levels that we hope will stabilize soon.

As far as volumes are concerned, India exported about 6.50 million tons of Iron Ore Fines in the FY 2018-19, and currently exports have already touched 12.00 million tons during the current FY 2019-20 (till Nov). It is expected to cross 20 million tons by Mar'20 making it one of the highest exported quantity in the last few years.



Chrome Ore loading at Albania



MV EMPEROR - Loading Iron Ore Fines at Paradip

CHROME ORE

The markets have been tough this quarter as prices have been falling and further causing export volumes to also come down. Adding to the woes, stocks in Chinese ports have crossed 3.30 million tons, leading to desperation amongst traders to liquidate their stocks, further increasing the downward pressure on prices. Production cuts, power tariffs, trade wars and liquidity crunch are some of the factors that have badly affected the industry and prices have fallen to three-year low levels.

Nonetheless, we still managed to ship more than 25,000 metric tons from Europe to China this quarter which is more than one-third of the total export volumes from Albania. With the continuous fall in prices, it is getting tough to enter into other origins since the demand is very low at this time. However, we now feel that the market has come to the bottom level and will see a rebound in the next quarter. We also participated in MMTC's tender for ship-ment of 3,000 MT Low Silica Chrome Concentrates from India to China. However, as the market prices are down, the supplier has decided to wait for some time before re-tendering the material.

This quarter saw a big change in the Chrome mining scenario in India. While Tata Steel had won most of the chrome mines in the recent auctions, however their existing Sukinda mines were taken by the government and will be operated by state-owned OMECL.



MV MERLIN - Loading Iron Ore Fines at Paradip

COAL & ENERGY

The winter season has seen a good demand for steam coal as most countries want to stock the material in order to meet the power demands. This has led to a slight increase in steam coal prices, especially South African origin material.

In recent auctions in India, the government has allotted 85 coal blocks which are now pending for environmental clearances. Most of these blocks have been won by the power, steel, cement and aluminum plants for self-consumption. With the expansion of the steel sector in India, the demand for coal is set to increase in the coming years unless the government takes measures to increase renewable sources of energy. The Indian government is setting up a "Sustainable Development Cell" to address the issues of coal mining and provide better working conditions to the people working and residing near the mines.

A recent study has shown that India is all set to become the world's fastest growing consumer of coal by the year 2024. It is estimated that the coal consumption in the country will touch 750 million tons, out of which 500 million tons will be met by domestic mining and the remaining 250 million tons will be dependent on imports of coal. Increasing steel demand and a shortage of high quality coking coal is also seen to make India the growth engine for metallurgical coal, prompting increase in imports and driving global seaborne trade growth.

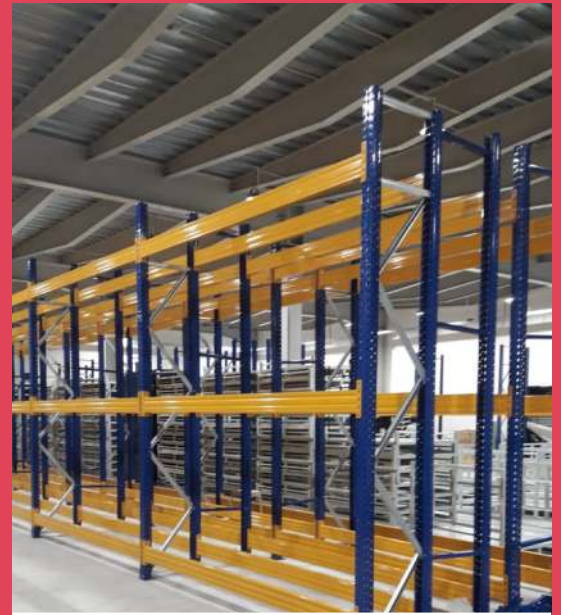
MAGNUM RESOURCES PVT. LTD.

MRPL this quarter participated in Garknit Exhibition held in Kolkata in the month of December 2019. Garknit-X Kolkata provided a good platform to the participants, to gain foothold in this fast growing market, as Kolkata is witnessing improvements in manufacturing capacities along with huge investments in new technology. This time again, we displayed the latest range of machines from Brother, Pegasus, Rehoo and Lygold. Many customers visited this exhibition and were pleased by the technology displayed.

We also successfully have completed the installation of Timtas fabric and Carton box warehousing solutions in South India, installed at one of the largest garment manufacturer in the country. This quarter the company also took the first order in NCR for MACPI finishing machines for a men's designer in India. These were automatic finishing means for very high end men's suits. MRPL has also successfully completed the installation of one of its kind, Miller Weld master dual head tank liner sealing machine for its customer based out of Thane.

MRPL is all set to participate in GTE 2020 and will be showcasing live demonstration of its latest products including air cooling and ventilation systems for the garment and textiles industries.

Overall, the investment climate remains very slow with capital expenditure as a low priority for customers. Further, with increasing labour costs, new projects for garmenting and textiles are moving away from the NCR region. We see this trend to continue. Liquidity is also a cause of concern across the industry which is further dampening the business sentiment.



Timtas fabric and Carton box warehousing solution

MOHINDER KAUR MEMORIAL CHARITABLE TRUST (MKMCT)

The MOHINDER KAUR MEMORIAL CHARITABLE TRUST was established in 1997, in Chandigarh with an objective to help children from economically weaker sections (EWS) has now been expanded to Delhi under the personal supervision of Mrs. Abha Singh in 2016. She has been working dedicatedly on the social outreach programmes with its core values. She has taken personal interest for the upliftment of the students.

The Core belief of Mrs. Abha Singh has been to use language as a tool to bridge the gap between the privileged and the EWS students. English Language remedial classes are being conducted at Tagore International School (East of Kailash), Balwantray Mehta School (Lajpat Bhawan), Balwantray Mehta Vidya Bhawan (GK 2) and Kalka Public School (Alaknanda). These classes are held in school hours only; small batches of 20 students are coached and assisted by qualified teachers provided by her. They focus on the English speaking skills and personality development which is vital to their overall development.

Mrs. Abha Singh has given incentives by providing gifts in the form of books and awards; her involvement has made a huge difference in the lives of EWS students, enabling them to be at par with the rest of the society.



Group interaction with children



Drawing made out of a story book

SARA TEXTILES LTD.

This is the time for Heimtextil 2020, Germany which is the biggest international trade fair for home textiles. Companies around the world participate in this fair as this fair provides a platform for the manufacturers to meet retailers, wholesalers, importers, agents and buyers from across the globe. This fair serves as a climate and trend barometer for the new business year. Sara Textiles being a pioneer in towel manufacturing in India is all set to be present in the exhibition to display its new innovations and trends.

The product range will be spread around basic towels with innovative designs to luxury towels in Zero twist and Jacquards. Eco friendly concepts like Cotton Bamboo and Organic towels will also be on display to attract the customers from around the world. We will also display our wide range of beach towels for customers to choose from.

Equipped with latest designing tools makes us capable of crafting ideas into products. We consistently thrive to offer the best in design as per forecasting trends and come up with perfectly suitable products for the end user.

This quarter, various buyers visited our plant. A warm traditional Indian welcome was arranged for them with a Tikka ceremony. This was followed by a plantation exercise with the guest. Also, a training program on Quality circles was held in Weaving Department to meet the objectives of seamless quality deliverables. Training program on use of PPE was also organised to reduce the risk of any kind of mishap and making the work place safer for all.



Buyers Visiting Plant



Training on Use of PPE

GROUP NEWS

Diwali is regarded as the blockbuster festival that is celebrated nationally with great vigor and enthusiasm. It is an occasion that displays true meaning and importance of lights. This quarter, Sara Group celebrated it with a Annual Diwali Dinner with a special address by MD and respective CEO's and followed by some mind blowing magic tricks.

Sara House also played home to the Secret Santa on the eve of Christmas where gifts were exchanged among the employees with equal enthusiasm. These celebrations not only bring employees together but it also helps in creating a more inclusive environment across departments and boosts the morale of employees, promotes employee engagement, induces team spirit and joy.



Sara's Women's team at the Annual Diwali Party



MR. ASHUTOSH SHARMA

General Manager

Sara International Pvt. Ltd., Dubai

A brief on your role at Sara

My role is to help take the Sara Group to the next level as a leading global player building strong relationship and bonds with key decision makers of financial institutions. Further, my focus is on driving cost effective finances for the company. A key part of my role is also to continuously focus on identifying trading opportunities in the regions of the middle east and Africa, such as steel products, raw commodities and even containers.

How do you see your future at Sara

Being associated with the company from a long time and looking after the end to end activities for the group's Dubai office, ranging from finance, accounts to sales I foresee a bright future to nurture my abilities and talents by working under proactive management to continue growing the Dubai operations and entering new industries and sectors.

Your goals while in your current role at Sara

My main goal in the current role is to ensure that the company's trading operations running out of Dubai are low cost, efficient ever growing. Each day in the trading business has a financial cost, and if we can bring down the turn-around time for our documentation and back end operations, there will be an immediate and material impact on the bottom line.

Your perfect Get-away

Kruger National Park is my favorite which is one of the world's most famous safari parks near Johannesburg, South Africa. It is home to African big five: the Lion; Leopard; Elephant; Rhino and the cape buffalo.

Your idol in life and why

I consider Bhagavad Gita as my idol since it is a jewel: a definitive guide when doubts haunt, disappointments stare & one sees no ray of hope. It is the most essential manual for life.

Your perspective of the most critical element for corporate success

To me the most critical element for corporate success is to empower employees and create a dedicated loyal team, since good people are the key to any company's success.

NEW JOINERS

SARA INTERNATIONAL PVT. LTD.

Atulya Goyal	Management Trainee
Akanksha Verma	Trainee-CS
Madhvi Joshi	Executive-Documentation

MAGNUM RESOURCES PVT. LTD.

Randhir Kumar Jha	Executive-Accounts
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SARA TEXTILES LIMITED

Ankita Manot	Designer Cum Visual Merchandiser
Krishan Gopal Arora	Manager – Purchase
Vishal Saroch	Merchandiser
Rakesh	Assistant Incharge
Santosh Mishra	Head
Amit Kumar	Sr. Astt. Manager
Karnail Singh	Inspector
Hardeep	Officer
Prasant Kumar Patnaik	Deputy Manager
Ram Chandra Singh	Deputy Manager
Aman Dutta	Assistant
Jai Narayan Pandey	Sr. Executive
Dhruv Prakash Upadhyay	Shift Officer

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