

## ACTIVITIES OF 2020

As the chaotic 2020 draws to an end, and the world heaves a sigh of relief, it is time to take a stock of all the Activities CMAI was able to start or accomplish during the year 2020. Some of these were extensions of our earlier Activities, some were New, and yet others were those we have started working on, but have not concluded.

Given below is a snap shot of the Activities of the Association during the last 12 Months:

### 1. 70<sup>TH</sup> NATIONAL GARMENT FAIR

We continued with our ever popular National Garment Fairs, and broke all previous records in number of Participants and Visitors for the Summer Fairs, with Participants and Visitors at our 70<sup>th</sup> NGF. In spite of the somewhat sluggish sentiments in the market even at that time (January 2020), we were able to attract 698 Brands to Participate, and 14,000 + Retailers to visit the Fair – a record for our January Editions.

### 2. REPRESENTATIONS TO GOVERNMENT

The Pandemic and the resultant crisis in the Industry drove us to One of our strongest Interaction with various Government Agencies, Institutions, Ministers and Bureaucrats, spanning over 3 to 5 months – both at the Central as well as the State levels.

During this period we submitted over 75 Representations, held nearly 20 to 25 virtual Meetings with Central and State Ministers, Bureaucrats, Bankers, Planners, etc, had more than a dozen Media interactions including TV Interviews in leading Hindi , Marathi, and English Channels, and a barrage of Newspaper and other Media reports about the plight of our Industry. Whilst many of these Meetings and Interactions were held jointly with other Associations, CMAI got tremendous Publicity as the leading voice of Domestic Garment Industry, with Media approaching us for Views and assessments continuously even till today.

We obviously may not have succeeded fully in getting whatever we had hoped to receive from the Government, but CMAI's efforts were greatly appreciated by the various Agencies and Government Officials, and formed the basis of many Decisions, Actions, and Policies of the Government.

Some of these Actions of particular benefit to our Industry were (a) the various changes brought about in the Policies regarding MSME Sector – including the Definitions, Additional benefits, etc. were influenced significantly by our Interactions with the Hon. Minister for MSMEs, Sh. Nitin Gadkari (b) our Interactions also helped to release Funds stuck with MSME Ministry against Members' dues for Participation in Fairs (c) our Interactions with Sh. Aditya Thackeray speeded up the Opening of normal Factory working in Mumbai and

surrounding areas (d) our Representations to the Finance Ministry, RBI, and MSME Ministry on the desperate need for Financial support for our MSME Members resulted in additional Credit facilities to MSME and finally (e) our constant Representations and follow ups with DPIIT and Niti Ayog helped speed up the unlocking of the Retail Sector, which in turn helped our Members to get their inventory lifted by the Buyers who were able to Open their Stores earlier, etc.

### **3. CMAI SURVEYS**

Perhaps for the first time CMAI conducted a series of Surveys among its Members on various Issues, which helped in giving a cutting edge to the Representations made to the Government as well as the Media reporting. Between 600 to 900 members responded to our Surveys on different occasions, and almost all our Survey results were widely referred to by Media agencies in their Industry coverage, greatly enhancing the awareness and credibility of CMAI in the Media.

### **4. BUILDING A BRIDGE BETWEEN BRANDS, RETAILERS, AND MANUFACTURERS**

As is well known to everyone, the biggest crisis being faced by our Members was the very real possibility of Orders being Cancelled by Buyers, goods for which were already Manufactured and in Stock at the Manufacturer warehouses. In a spontaneous reaction to the unprecedented Lockdowns and virtual stoppage of all sales, many Buyers had communicated their instructions to our members to cancel all orders which were not dispatched. This understandably had caused a state of panic amongst many of our members. CMAI, through official communications and using personal contacts, urged all Buyers, Brands, and Retailers to ensure that they lift the stocks being held by the manufacturers against confirmed orders, and also asked manufacturers to extend whatever support they could to their buyers so that both parties emerged out of the crisis with the least damage. CMAI also urged the Buyers to clear their old outstanding dues as soon as possible, to help the manufacturers to survive.

It is a matter of some satisfaction that most of the Retailers and Brands reacted very positively to this effort of CMAI, and whilst there have been cases reported of late payments, discounts being asked for, and even a few Cancellations, by and large the Industry has shown tremendous maturity and spirit of mutual co-operation, and we are limping back to some semblance of normalcy. It has not been as perfect a situation as we would have liked, but things could have been far worse.

### **5. CREATING A PLATFORM FOR BUYER-SELLER INTERACTION**

Whilst the NGFs will continue to play a vital role in the Marketing Calendar of any Domestic player, CMAI evolved a unique and new Platform for increasing

the Buyer-Seller interaction by communicating the needs of the Buyers and encouraging Sellers to respond. It was very satisfying to note that one of our Members, Arvind Brands, was able to place orders of 2.5 lakh pieces on CMAI Members in November-December, and was hoping to place another 6 lakh pieces in the coming Months.

In addition, many new Buyer-Vendor relationships were built through CMAI's efforts to link Buyers looking for Vendors and Manufacturers seeking Buyers.

## **6. COMMUNICATION WITH MEMBERS**

One of the constant criticisms faced by CMAI was that it does not communicate effectively with its Members. 2020 saw a dramatic change in our approach to communicating with our Members.

A massive drive to increase communication was undertaken via the Social Media platforms – WhatsApp, Instagram, and Facebook. As many as 401 posts were posted on Social Media platforms, and 102 WhatsApp Groups were formed to share information on our Activities, Programs, Events, and general Industry News. The total membership of these groups exceeds 7,000.

Even our Member Circulars saw a drastic increase – 77 circulars against 31 circulars during 2019 – essentially signifying a much greater interaction with our Members.

## **7. AFFILIATED MEMBERSHIP TO GEAR AND ASMI**

In an innovative step, CMAI tied up with two major Regional Associations of the Garment Industry – the Garment Exporters Association of Rajasthan (GEAR), and the Apparel Manufacturers Society of Indore (AMSI). Both these Associations enjoy tremendous respect in their respective Regions – Rajasthan and Indore, and have over 250 Members each. A tie-up with these Regional Associations will provide important access to our Members to Buyers, Suppliers, and other Institutions in these regions, in addition to having an access to their connections in case of need.

We are continuing to seek such Associations with other Trade Bodies in different parts of the Country.

## **8. DOMESTIC INDUSTRY'S FIRST VIRTUAL FAIR – THE 71<sup>ST</sup> NGF**

The Festive Edition of our NGFs, typically held in July every year, was impossible in its normal physical format in 2020 due to the Covid-19 Pandemic. Large gatherings were not Permitted and Market conditions extremely uncertain. However, there were still many Members who urged CMAI to undertake some Fair or Exhibition where they could showcase their Product ranges, and at least get some Business kick-started.

Keeping in mind both the need for creating such a platform, CMAI brought in a revolutionary concept of holding a Virtual Fair, which brought together over 300 participants and 5,000 Visitors.

Although the sluggish market conditions and technical glitches restrained the overall business transacted, the Industry applauded CMAI's bold and innovative initiative of offering this platform even at these difficult times.

## **9. CONCILIATION EFFORTS CONTINUED**

Even though expectedly the cases being referred to CMAI during the Pandemic saw a drastic dip, our efforts to act as a conciliating platform between Retailers and Manufacturers continued during 2020. With the offices being under lockdown from April to August, we were able to recover nearly Rs.65.50 lakhs during the period September to December 2020, giving a huge relief to the concerned Members.

## **10. SETTING UP OF THE CMAI ARBITRATION CELL**

In spite of the commendable work being done by the Conciliation Team, one of our weakness has been the lack of any legal standing for our judgements. To overcome this, CMAI has now started the process of setting up our own Arbitration Cell, with its own Rules, Processes, and Panel.

We believe this will give tremendous Strength to our ability to enforce financial discipline in our Industry, and provide teeth to our efforts. Work on setting up this Cell is already on, and we are hopeful that it should be launched by March 2021.

We strongly feel that after the NGFs, this will be the biggest service to the Industry provided by CMAI.

## **11. TYING UP WITH A BILL DISCOUNTING/FACTORING AGENCY**

It is a well known and accepted fact that extended credit period is one of the biggest challenges faced by the Domestic Manufacturer – especially in the MSME Sector. His weak Balance Sheet and lack of adequate security as per Banking Norms makes it difficult for him to get Bank sanctioned loans. Private financing becomes exorbitantly expensive. The lack of Funds therefore becomes one of the greatest obstacles for the Growth of an MSME Entrepreneur.

CMAI has identified a couple of Bill Discounting and Factoring Agencies, who could be and an excellent bridge between the Manufacturer who needs immediate payment for his goods, and the Retailer who needs extended credit for his inventory. Since typically a small Manufacturer may find it difficult to get good terms for such an arrangement, CMAI is hoping to negotiate a good bulk

terms for its members with these Agencies. It is hoped that this new Project of CMAI can come into effect by end of February 2021.

## **12. CREDIT INSURANCE**

Along with the high need for Bill Discounting and Factoring, there is also need for a Credit Insurance facility in our Industry. It is generally accepted that by and large we do not see major collapses of Buying Houses in the Domestic Sector as compared to the Export Market – but yet, when it does happen, the impact can be massive. There is therefore an urgent need to evolve some kind of Credit Insurance in the Domestic Sector. CMAI has started discussions with a couple of Companies to try and such Credit Insurance Schemes, and we are hopeful of introducing some such Schemes in the next few months.

## **13. CSR ACTIVITIES**

CMAI has been known for its excellent CSR activity in conducting Eye Camps for the workers of our Industry, getting their Eyes tested, distributing Spectacles for those who needed them, and even contributing towards Eye operations in more serious cases.

As per its schedule, an Eye Camp was conducted in Indore in January, and similar ones planned in Ahmedabad, Pune, and other Cities during the year. The lock down compelled these programs to be shelved. However, in keeping with the need of the hour, CMAI switched its CSR to a major Food relief activity by distributing Month's Rations to the migrant workers in Mumbai, which drew unstinted appreciation from the workers and industry alike.

## **14. CELEBRATION OF NATIONAL HANDLOOM DAY**

The Central Government through its Ministry of Textiles made a special appeal to CMAI to support it in celebrating the Handloom Day on 7<sup>th</sup> August 2020 – and the major Brands of CMAI in an unprecedented combined effort, reached out to over a million consumers across India, with the message **“A TRIBUTE TO THE HANDS THAT CRAFT STORIES ON THE LOOMS”**. This extraordinary effort of CMAI and over 30 Brands of CMAI drew special praise and appreciation from the Hon' ble Minister of Textiles, Smt. Smriti Zubin Irani.

## **15. VENDOR SOURCING FAIR**

In another innovative move, CMAI planned a first ever VENDOR SOURCING FAIR during April 2020 – wherein manufacturers wanting to supply on Private Labels of Retailers could showcase their Production Facilities, Capabilities, and Resources to potential Buyers. In complete contrast to the NGFs, where participants marketed their Brands, their Designs and Creations – the VSF Participant would focus on the Production facilities, Number and Class of Machines, Compliance Certifications, and so on.

The Buyers too would be those looking to buy on their own Brands and Labels, and not stock the Supplier's Brand.

This was a unique and extremely well designed concept which unfortunately had to be cancelled due to the pandemic restrictions and lockdown.

We are confident that this show, which was fully sold out in its first edition, will be an important event in the CMAI Calendar from 2021 onwards.

## **16. REVIVAL OF THE NORTHERN REGION COMMITTEE**

After a span of several years, the Northern Region Committee was revived, and we now have some of the top-most Brands of North India as our Northern Region Advisory Committee Members.

We are now in the process of setting up our office in Delhi, and it is expected to be operational in the next few months.

## **17. PROJECT SU.RE**

The Project SU.RE – Sustainable Resolution signed by 16 top Brands of the Country, whereby the signatory Brands committed to convert a significant percentage of their entire Supply Chain into a Sustainable Mode, was unfortunately one of the projects that got stalled due to the Covid-19 pandemic, and its subsequent impact on the Economy. However, along with our partners IMG-Reliance, CMAI is in touch with both the signatory Brands as well as the Supply Chain partners to take this project further in 2021.

## **18. TECHNOLOGY UPGRADATION**

As an Association which is promoting the Technological Upgradation in the Industry and increasing use of Technology, it is imperative that CMAI too upgrades its use of technology in various spheres, such as its Membership Data, its Financial Systems, its Record Maintenance, Communications, and so on. A major effort has been initiated in improving our usage in all the above aspects and whilst some progress has already been made and results visible, a lot more needs to be done, and it is expected that many changes will be brought about by the beginning of FY 2021.

## **19. EDUCATION STREAM**

Whilst this is still in its conceptual stage, it is likely to be one of the most impactful new initiatives of CMAI in the coming years. The idea, which is being debated across various forums, is for CMAI to conduct various Management and Technical Programs for its Members, to help them improve their efficiencies, productivities, and operations. We are expecting this stream to become active in the latter half of 2021.

## **20. ORGANIZATION STRUCTURE**

It would be obvious that 2020 has seen the embryo of several new Ideas, Concepts, and Projects taking shape. All these would require appropriate manpower to effectively and efficiently execute and implement. A detailed study is underway to analyze the needs and the gaps in our Organization Structure and necessary steps would be taken after due consideration and analysis. It is expected that 2021 will see the first phase of such a restructuring taking shape.

