

Message from the Chairman

For the year ended on 30th June 2017

“Bismillah Hir Rahmanir Rahim”

Distinguished Shareholders

Assalamu Alaikum

Once again, we are gathered here by the Grace of Almighty Allah to share our views on your company's affairs in this Annual General Meeting. Please accept my warm welcome!

Considering industry life cycle, the present day RMG industry has gone past its growth-phase and entered into the maturity-phase and only awaiting to pass on to the declining-phase. While in the growth-phase an industry enjoys high growth rate, in the maturity phase it experiences static demand. The recent EPBs data support this phenomenon.

The RMG industry experienced an erosion of its competitive advantage through the decline in the unit sale price in one hand and increases in cost (increase the wages, gas and other utilities) on the other. The cost-push could not have been absorbed due to the lack of concurrent increase in productivity, and product/market diversification. Your company is relentlessly putting efforts to enhance productivity and diversification and, so far, have achieved mixed results.

On issues of compliance of Accord standards, the management has adopted measures to mitigate the few issues raised as CAP (corrective actions plan) covering fire, electrical and infrastructural safety. Safety occupies a paramount position in the policy frame of your company. So far, by the grace Almighty, we have made considerable progress in terms of fire and electrical safety, while the CAPs on structural aspects are ongoing. The process is time-consuming; because the production and operations have to be kept intact while the corrective actions are being implemented.


The production of the company suffered significantly due to shortage and/or low pressure of gas. However, due to increase in gas pressure in the recent months the loss of production eased up. Besides we have added of new machinery, which has enhanced the quality of the products.

While we are taking all measures to enhance growth and sustainability, the macro economic factors, among others, such as time-based wages structure determined by minimum wage board and increasing trend of utility costs continue to erode our competitiveness. While we recognize the need and importance of enhanced take-home pay for the workers, the time based pay does not facilitate organizational sustainability to offer higher wages and thereby without loss of competitiveness. The Introduction of production/performance based pay structure in place of time-based pay structure may result in a win-win situation. BKMEA, BGMEA can play a vital role in setting up the standards needed for performance-based pay. Standards such as 'General Sewing Data' (GSD) stand as corner stone for performance based pay structure.

As per the Provision of the Articles of the company, I have the pleasure to present before you the Directors Report, the Audited Financial Statements of the company for the year ended 30th June 2017, along with the report of the auditors for your consideration.

Finally, the Board offers its sincere thanks to the workers, professionals, whom the management considers as the most valuable asset of the company, and hopes that they will continue to keep the spirit of teamwork in the coming years for the smooth growth of the company.

With best wishes for the time ahead



Professor Dr. Muhammad Abdul Moyeen
Chairman

Dated: October 23, 2017