

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamualaikum

On behalf of the Board of Directors of IntracoRefueling Station Limited, I welcome you all to the 14th Annual General Meeting. It is a pleasure to present to you the Audited Financial Statements of the Company for the year ended June 30, 2021, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, Listing regulations of DSE and CSE, the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and International Accounting Standards and other applicable rules & regulations.

Background

Natural Gas in Bangladesh is one of God gifted natural resources in Bangladesh. This is the driving force to build up our nation industrially and as well as financially. With a view to ensure multidimensional use of this natural resource, Government has taken a step to use this natural gas to the vehicle in order to reduce the air pollution, save hard earned foreign currency by reducing the input of fuel oil from abroad. To implement this vision of the government, we, with the responsibility to inspire the public to use CNG, we have developed 8 (Eight) CNG stations under this company.

Our Present installations:

At the moment, we have following 8 (Eight) CNG stations under the Natural Gas Distribution Company of Titas Gas Transmission & Distribution Company Limited (TGTDC), Bakhrabad Gas Distribution Company Limited and Karnafuli Gas Distribution Company Limited, Jalalabad Gas Distribution Co. Ltd. and Paschimanchol Gas Distribution Co. Ltd. which are

1. Intraco Refueling Station Ltd., Haratali Highway, Sadar South, Comilla
2. Intraco Refueling Station Ltd., Chandpur
3. Intraco Refueling Station Ltd., Demra, Dhaka
4. Good CNG Refueling Station Ltd, Ishwardhi, Pabna
5. M Hye & Co CNG Refueling Station Ltd, Hobiganj
6. Nessa & Sons Ltd, Gabtoli, Dhaka
7. Absar & Elias Enterprise Ltd, Tiger pass more, Chittagong
8. Intraco Automobiles Ltd, Chandgaon, Chittagong

IntracoRefueling Station Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on March 27, 2007 and was converted into a Public Limited Company on June 28, 2015 under the Companies Act, 1994. The Company went for Initial Public Offering of shares in April 17, 2018 which was fully subscribed and issued. The Company was listed with Dhaka Stock Exchange Limited (DSE) on April 26, 2018 and Chittagong Stock Exchanges Limited (CSE) on May 06, 2018. The Authorized capital of the company is Tk. 1,500 million and paid-up capital 909.56 million.

Revenue

You are aware that the Company is involved in the operation of CNG Refueling Station in different places in Bangladesh. The turnover of the Company stood at Taka 95.58 Crore in 2020-2021. The CNG Refueling sector of Bangladesh is passing through climacteric time due to shortage of natural gas. Beside these the nationwide lockdown during last two years due to pandemic Covid-19, had impacted on revenue in this year. Yet the efficient and prudent management of process control has enabled the company to avoid financial adversity and has earned profit with a growth.

The operating financial results of the Company for the year 2020-2021 as compared to previous year are summarized hereunder:

Particular	2020-2021	2019-2020
Turnover	955,855,633	895,506,819
Gross Profit	152,761,112	126,282,780
Financial Expenses	3,979,929	6,620,725
Other Income	4,388,052	16,788,715
Net Profit Before Tax (NPBT)	105,089,040	98,611,480
Provision for Taxation	30,561,899	49,079,002
Net Profit After Tax (NPAT)	74,527,141	49,532,478
Non-Controlling Interest	1,170,459	2,102,830
Profit for Ordinary Shareholders	73,356,682	47,429,648
Gross Margin (Turnover)	15.98%	14.10%
Net Margin Before Tax	10.99%	11.01%
Net Margin After Tax	7.67%	5.30%
Earnings Per Share (EPS) BDT.	0.81	0.55
Number of Shares used to compute EPS	90,956,250	86,625,000

Industry outlook and possible future developments in the industry

The company has been operating in the market for a long time with reputation and commitment. With long experience in CNG refueling hospitality service, we are confident and believe that we can hold on our reputation by providing quality service. To enhance our future business periphery and create value for the Shareholders, we have taken in hand the following new projects which will result in financial growth in coming days.

1. LPG cylinder manufacturing plant at Sadar Dokkhin, Comilla.
2. LPG Refueling Station at different locations in the country, and
3. Expansion of the existing running Refueling Stations.

The Board of Directors has plan to set sales target at more than Tk. 160 crore for the next financial year, consisting of Tk. 110 crore from CNG Re-fueling Stations, Tk. 15 crore from LPG station and TK. 35 Crore from LPG Cylinder Manufacturing plant.

Training:

To ensure better services to our valued clients, we arrange periodic onsite training of our staffs and technicians and other related employees. Also, we arrange periodic class room training in our Intraco Center to enrich their technical know-how with high quality standard. By this time most of our employees have been trained.

Segment Reporting

The company is operating its business with its homogeneous products/services in a single economic and geographical segment within the territory of Bangladesh.

Risk and concerns

Changes in the existing national policies can have either positive or negative impacts for the company. Any scarcity or price hike of CNG Gas due to change in policy of Gas supply company might hamper the production and profitability.

The performance of the company may also be affected by the political and economic stability in Bangladesh.

Similarly, risks factors of the industry depend on the Government polices as well. The government can suspend permission of any CNG Re-fueling station due to Low gas pressure. The Government may also suspend our sales for a specific period of a day due to nationwide scarcity of gas.

A position on Cost of Goods Sold, Gross Profit and net profit margin

Profit from Operation	30-June-21		30-June-20	
	Amount	Percentage	Amount	Percentage
Turnover	955,855,633	100%	895,506,819	100%
Cost of Goods Sold	803,094,520	84.02%	769,224,039	85.89%
Gross Profit	152,761,112	15.98%	126,282,780	14.10%
Net Profit for the year	73,356,682	7.67%	47,429,648	5.30%

Discussion on continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. As for the Company, there was no such gain or loss during the year under reporting.

Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out in accordance with the provisions of 'IAS-24': Related Party Disclosure' disclosed in the note 31.of the notes to the financial statements of parent company.

Significant variance of financial statements

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2021.

Utilization of IPO fund

Utilization position of IPO proceeds up to 30 June 2021 was as under:

Purpose as per Prospectus	Amount as per prospectus	Utilized during the year	Total unutilized
IPO Expenses	20,400,000	20,400,000	-
Construction of Factory Shed , Store Room & Official Building	12,554,000	15,000	12,539,000
Substation, Electric work & Generator	7,151,200	-	7,151,200
LPG Satellite Plant	97,489,800	-	97,489,800
Cylinder, Road Tanker, Mover, Weighting Bridge & Truck	157,405,000	6,344,160	151,060,840
Freight & Other Charges	5,000,000	-	5,000,000
Takeover New Factory as per decision on 12 Annual General Meeting	-	315,000,000	-
Total	300,000,000	341,759,160	273,240,840

The company raised Tk. 300,000,000 divided into 30,000,000 ordinary shares of Tk. 10 each through IPO on May 17, 2018. The company utilized Tk. 341,759,160 for the purpose of IPO expenses, capital machineries and take over new factory as per decision on 12 Annual General Meeting by the shareholder.

From the movement of the amount shown in the table it is clear that the unspent amount for Tk. 273,240,840 and Tk. 41,759,160 from own source has been expended to take over New Factory.

As per consent letter ref no. BSEC/CI/IPO-259/2016/111 dated February 14, 2018, we have reported to BSEC, DSE, and CSE on monthly basis till 30.09.2020.

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

Board Size:

The number of members in the Board of Directors of the Company is five including one Independent Director in line with notification given by BSEC.

Independent Directors

In terms of the provision under CGG, The Boards of Directors had appointed Mr.Mazher Ali Masud as Independent Director of the Company for a period of the three years till 10th December 2021. He is well versed and experienced person.

Qualification of New Independence Director

Mr. Mazher Ali Masud,post graduated in the field of commerce.Over 21 years ago, he started his career in International Carrier Business as a Consultant with IDT Inc. during his journey, he has worked and learnt from very respectable brands such as IDT Inc. (USA), Cable & Wireless (UK), Telecom New Zealand (New Zealand), Voyport LLC (USA), Zamir Telecom Limited (UK), Maisha International UK Limited (UK), PureCall Communications Limited (UK), and Formula One International Limited (Bangladesh). He is also well known & a respected professional in the International Wholesale Business in the global Space as the same time he has running the reseller role in Bangladesh Corporate Market and expatriates in the UK.

In the present time he is the Honorable Managing Director of Maisha International UK Limited, PureCall Communications Limited (UK), Formula One International Limited, Maisha International Limited (BD).

Chief Financial Officer, Company Secretary, Head of Internal Audit

As per corporate governance guidelines of BSEC, the company has allocated the responsibilities of the officials as follows:

Chief Financial Officer	: Mr. Mohammad Momanul Islam
Company Secretary	: Mr. G.M Salahuddin
Head of Internal Audit	: Md. Shofuuzzaman Aman

Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with the Independent Director as Chairman and two other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board of the company in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The roles and functions of the Audit Committee have been stated in the annual audit committee report and it is annexed herewith.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director has been constituted with two board of directors with Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The terms of reference of the Nomination & Remuneration Committee inter alia include to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/directed by the Board of Directors from time to time.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors M/s. Fames &R, Chartered Accountants for the Company.

Maintaining a website

The company has been maintaining an official website www.intracorefueling.com which is linked with the website of the stock exchange.

Subsidiary Company

Subsidiaries are entities controlled by The Company. Control exists when IRSL has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries have been included in the consolidated financial statements from the date that control commences until the date that it ceases. The followings are the subsidiaries and basis of consolidation.

Name of Subsidiary	% of	% of	No. of Shares		Total No. of
	controlling Interest	Non-cont. Interest	Controlling	Non controlling	Holding Shares
Good CNG Refueling Station Ltd	95.00057	4.99943	828,500	43,600	872,100
M Hye& Co. CNG Refueling Station Ltd.	95.00020	4.99977	2,601,714	136,927	2,738,641
Nessa& Sons Ltd.	95.00099	4.99990	2,395,000	126,050	2,521,050
Absar& Elias Enterprises Ltd.	95.00045	4.99955	2,105,400	110,800	2,216,200
Intraco Automobiles Ltd.	95.00028	4.99972	2,558,310	134,640	2,692,950
Total	475.00249	24.99836	10,488,924	552,017	11,040,941
Average Interest	95.000274	4.9997259			

Duties of CEO & CFO

The provision of BSEC regulations have been compiled in the Annual Report.

Directors' Appointment and Re-Appointment

As per the Articles of Association of the Company Mr. H.M Hakim Ali, Director and Mrs. Hoda Ali Selim Ahmed Mohamed, Director shall retire in the 14th Annual General meeting by rotation and being eligible for re-election. The Board of Director has recommended to re-appoint them as director of the company in the 94th Board of Directors meeting held on October 28, 2021. The Board of Directors has appointed to Advocate Abdul Halim as Independent Director of the company. The following retirement and re-appointment of the Directors and appointment of the new Independent Director will be approved in the Annual General meeting:

Retired and re-appointment of Directors:

1. Mr. H M Hakim Ali
2. Mrs. Hoda Ali Selim Ahmed Mohamed

Appointment of New Independent Director:

1. Advocate Abdul Halim

Shareholding pattern

The shareholding of directors at the end of 30 June, 2021 is shown as below:

Name of the shareholders	Position	Shares Held	%
i. Parent/Subsidiary/Associated companies and other related parties			
	-	-	-
ii. Directors:			
Mr. H M Hakim Ali	Chairman	2,816,733	3.10%
Mr. Mohammed Riyadh Ali	Managing Director	13,127,411	14.43%
Mrs. Hoda Ali Selim Ahmed Mohamed	Director	6,603,059	7.26%
Mr. Azim Uddin	Nominated Director of Intraco natural Gas Station Ltd.	2,958,902	3.25%
Mr. Mazher Ali. Masud	Independent Director	Nil	Nil
iii. Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouse and Minor Children:			
Mr. Mr. Mohammed Riyadh Ali	Managing Director and his Spouse	19,730,470	21.70%
Mr. Mohammad Momanul Islam	Chief Financial Officer	Nil	-
Mr. G M Salahuddin	Company Secretary	Nil	-
Md. Shofuzzaman Aman	Head of Internal Audit	Nil	-
iv. Executives:			
		Nil	-
v. Shareholders holding 10% or more voting interest in the company:			
		Nil	-

Directors involved in other Companies:

Sl.	Name & Designation in IRSL	Directorship/Ownership with Other Companies	
		Companies	Position
1	H. M. Hakim Ali (Chairman)	Intraco Properties Ltd.	Chairman
		Tangail CNG Refueling Station Ltd.	Chairman
		Agrabad Hotels Ltd.	Director
		Agrabad Beach Hotels Ltd.	Director
2	Mohammed Riyadh Ali (Managing Director)	Good CNG Refueling Station Ltd.	MD
		M Hye & Co. CNG Refueling Station Ltd.	MD
		Nessa & Sons Ltd.	MD
		Absar & Elias Enterprises Ltd.	MD
		Intraco Automobiles Ltd.	MD
		Intraco CNG Ltd.	MD
		Tangail CNG Refueling Station Ltd.	MD
		Intraco Properties Ltd.	MD
		Hawladar Enterprise Ltd.	MD
		Doosan Trade Bangladesh Ltd.	MD
		Kwangshin Bangladesh Ltd.	MD

3	Mrs. Hoda Ali Selim Ahmed Mohamed (Director)	Intraco Renewable Energy Ltd.	MD
		Intraco Ready-mix Ltd.	MD
		Intraco Developers Ltd.	MD
4	Mr. Azim Uddin (Nominated Director of Intraco natural Gas Station Ltd.)	Parker Bangladesh Limited	Director
5	Mr. Mazher Ali Masud (Independent Director)	-	-

Board Meeting and Attendance

During the year, 8 (Eight) nos. of Board Meetings were held. The attendance record of the directors is as given below:

Name of Directors	Attendance
Mr. H M Hakim Ali	8
Mr. Mohammed Riyadh Ali	8
Mrs. Hoda Ali Selim Ahmed Mohamed	8
Mr. Azim Uddin (Nominated Director of Intraco natural Gas Station Ltd.)	8
Mr. Mazher Ali Masud	8

Director's remuneration

Directors of the company was not taken any remuneration during the financial year.

STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

- The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- The system of internal control is sound and has been implemented and monitored effectively.
- No bonus shares or stock dividend has been or shall be declared as interim dividend.
- Management discussion and analysis signed by MD presenting detailed analysis of the company's position and operations along with a brief discussion on changes in the financial statements.
- The key operating and financial data for the last five years.

Going Concern

While approving the financial statements, the directors have made appropriate inquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Therefore, the company adopted the going concern basis in preparing the financial statements.

Significant deviation of Operating Result

Covid -19 impact was also evident in during this accounting year. Due to nationwide lockdown, restriction was imposed strictly

on transportation and vehicle movement was less except for emergency needs. All educational institutions were being closed during this accounting year. As a result the targeted growth was not achieved. However due to the capital investment during last two years our sales has been increased and net profit after tax increased compare to last year ended on 30 June 2020 and Earning Per Share (EPS) has increased due to net profit increased also NOCFPS is increased according to increased sales compare to last year.

Dividend

The Board of Directors has recommended cash dividend @ 2% (excluding Director's & Sponsor's) and stock dividend @ 8% for all shareholders i.e. total 10% dividend in its meeting 28th October, 2021 for the shareholders for the year June 30, 2021 (subject to the final approval in the forthcoming AGM) whose names will be appear in depository Register of CDBL as on Record date i.e. November 22, 2021. It is mentionable that no bonus share or stock dividend has been declared as interim dividend for the year ended June 30, 2021.

Statutory Auditors

The Auditors of the Company FAMES & R, Chartered Accountants, Sharaqa Mac, H-3/1, & 3/2 (Flat-2A), Bijoy Nagar, Dhaka-1000 has carried out the audit of the company for the year ended 30 June 2021. They were appointed as Statutory Auditor in 13th AGM as per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. Existing auditor is eligible for re-appointment and they have expressed their interest. From that according to suggestion of board audit committee, the board has recommended the re-appoint of FAMES & R, Chartered Accountants, Sharaqa Mac, H-3/1, & 3/2 (Flat-2A), Bijoy Nagar, Dhaka-1000 as statutory auditor for the year of 2021-2022 and continuation up to the next AGM at a fee of Tk. 172,500 (One Lac seventy two thousand five hundred only) inclusive VAT and Tax, and request the shareholders to approve the appointment.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s. G. Kibria & Co, Chartered Accountants, Sadharan Bima Sadan (5th Floor), 24-25 Dilkusha, C/A, Dhaka-1000 as professional for Report on Compliance Governance Guidelines for the year 2021-2022.

Acknowledgment

The Company express its sincere thanks and gratitude to the respected shareholders, valued clients, Banks and well-wishers home and aboard for their wholehearted co-operation and active support.

We are thankful to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Registrar of Joint Stock Companies & Firms (RJSCF), Central Depository Bangladesh Limited (CDBL), Government and private sector Organization and many others for extending co-operation and support to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year.

I, on behalf of the board of the directors, take the opportunity to inform you that we welcome any suggestions and opinion to improve our Company performance and financial stability.

Thanking you.

On behalf of the Board of Directors



Mr. H M Hakim Ali
Chairman