

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.56%	▲ 0.27%	\$1,605.60	\$50.35	▼ 0.40%	▲ 0.95%	▼ 0.11%	▲ 3.15%	BUY TK	83.95	91.93	106.99	11.90
4,434.81	8,219.52	(per ounce)	(per barrel)	38,144.02	21,344.08	3,007.72	2,970.93	SELL TK	84.95	95.73	110.79	12.51

OPENING
of
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Star BUSINESS

DHAKA TUESDAY MARCH 3, 2020, FALGUN 19, 1426 BS • starbusiness@thedailystar.net

Walton has great prospects. But questions hang over its IPO prospectus.

AHSAN HABIB

Local electronics giant Walton is, arguably, going through a purple patch.

For instance, earlier this week, it flagged off shipments of 26,000 air conditioners to India's Hyundai and also inaugurated its sprawling lift manufacturing plant, both of which are firsts for Bangladesh.

There appears to be no end to its ambitions.

But, funding is needed to achieve those goals, which is why the trailblazing homegrown electronics manufacturer has decided to turn to the capital market to raise Tk 100 crore.

There is tremendous excitement around Walton Hi-Tech's debut on the Dhaka Stock Exchange, which is why it is reasonable to assume it would be commanding a good premium. However, a deep dive into its financial reports doesn't paint a clear, rosy picture.

Walton Hi-Tech Industries showed a staggering 290.6 per cent surge in profits and 89.4 per cent jump in its turnover in the 2018-19 financial year -- just before its listing on the stock market.

In the 2017-18 financial year, the company's profits and turnover had dropped 52 and 14.4 per cent year-on-year

respectively.

A chartered accountant preferring anonymity asked: "Is this high jump in turnover really because of demand from consumers? What was the miracle last year that it witnessed such an incredible growth?"

On closer look it appears Walton shifted large volumes of products in its last financial year -- but on credit to distributors, for the most part.

Curiously, despite the higher profits and turnover in the 2018-19 financial year, the company's closing cash and cash equivalents dropped 9.78 per cent to Tk 102 crore, according to the prospectus.

At the same time, overall trade and receivables trebled to Tk 1,184 crore, which means the sales were made mostly on credit.

And, most of the sales were to Walton Plaza, a sister concern of Walton Hi-Tech Industries. Walton Plaza buys products off Walton Hi-Tech to sell to sub-dealers and end users.

In the last financial year, Walton Hi-Tech's sales to Walton Plaza rose 138.6 per cent to Tk 1,602 crore.

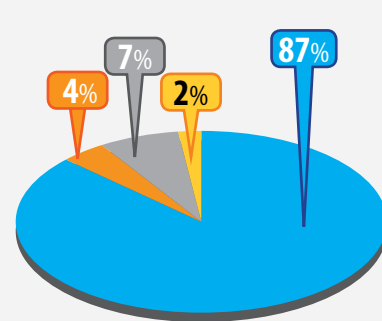
After the sales, Walton Hi-Tech's receivables from Walton Plaza stood at Tk 1,048 crore, which was Tk 440 crore a year earlier.

"Walton's sudden sales on credit, especially in the listing year, are doubtful sales," said Mohammad Mohiuddin Ahmed, executive director of the Financial Reports Monitoring Division at the Financial Reporting Council.

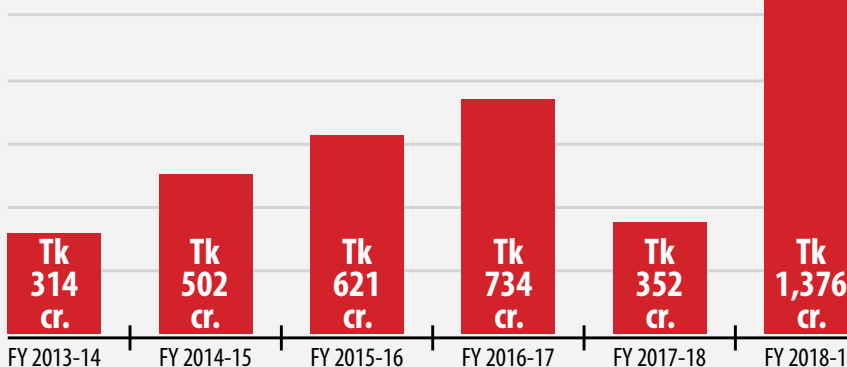
If the company shifts

Walton's sales breakdown in 2018-19 (in cr Tk)

Refrigerators	4,553
Air Conditioners	225
Television	372
Electrical & Home Appliances	86



WALTON'S PROFITS OVER THE YEARS



the products to its distributors, it is fine -- legally.

"But, it seems Walton Hi-Tech has done it with an ill intention, which is to get a high premium," Ahmed said, adding that whether the spike in profit came from genuine consumer-driven sales would be clear over the next few years.

The bidding to discover the cut-off price for

Walton Hi-Tech's initial public offering began yesterday and will conclude on March 5.

Institutional investors participate in the bidding after analysing a company's financial reports and business prospects.

Walton Hi-Tech is aiming for a hefty premium, which is the amount over the face value of the share.

READ MORE ON B3

Robi files for IPO at last

STAR BUSINESS REPORT

Robi yesterday handed in its application to the Bangladesh Securities and Exchange Commission for the operator's listing on the country's twin bourses, as the long-awaited debut of the second largest mobile phone operator is finally taking shape.

The operator plans to raise Tk 387.74 crore for network expansion in anticipation of revenue-generating opportunities in the areas of Internet-of-Things, home and enterprise.

This will be the second listing of a mobile carrier after Grameenphone, which made its debut on the stock exchange in 2009.

A top executive of Robi, which is the country's second largest mobile carrier with 4.93 crore active subscribers, acknowledged the development but declined to elaborate further.

But in a press conference at their office two weeks ago, Robi's top brass said 10 per cent, or about 52.38 crore, shares will be offloaded.

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Virus hammers garment industries in Cambodia, Vietnam

AFP, Lang Son

Cambodia's multi-billion-dollar garment industry is at risk of chain disruption from the deadly coronavirus, its strongman premier said Monday, as the outbreak cripples Southeast Asia's key industries, bringing border trade to a trickle.

The death toll from the virus, which emerged from Wuhan in central China, has reached over 3,000 worldwide -- the bulk of the fatalities in the mainland.

Beijing issued unprecedented lockdowns for cities and provinces most affected, bringing to a shuddering halt the so-called "Factory of the World" -- key to a global supply chain.

The coronavirus has "shaken the global economy", said Cambodia's strongman premier Hun Sen Monday.

Cambodia is already feeling the sting with its \$7-billion-dollar garment sector reliant on China for 60 percent of its raw materials.

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FORWARD YOUR CAREER

A second generation leading private commercial bank having an extensive business network across the country intends to give you ample scope of unleashing your potentials to develop in its future leadership through the positions of **Management Trainee Officer (MTO), Trainee Officer (TO), Trainee Assistant Officer (TAO) and Trainee Assistant Cash Officer (TACO)**.

Positions Requirements

Management Trainee Officer (MTO): The candidates must have Post Graduation from accredited top ranked universities only with all through first class/equivalent CGPA in academic career.

Trainee Officer (TO): The candidates must have Post Graduation from a reputed university with a minimum three first class/equivalent CGPA and no third class/equivalent CGPA in their academic career.

Trainee Assistant Officer (TAO): The candidates must have minimum Graduation from any UGC approved university with at least one first class/equivalent CGPA and no third class/equivalent CGPA in their academic career. Candidates having Post Graduation will be given advantage.

Trainee Assistant Cash Officer (TACO): The candidates must have minimum Graduation from any UGC approved university having no third class/equivalent CGPA in their academic career. Candidates having Post Graduation will be given advantage

We offer

Management Trainee Officer (MTO): The Bank offers attractive compensation package and excellent working environment. Entrance as an MTO is a fast-track path providing immense career progression opportunity. During the one-year trainee period, MTO will get a monthly allowance of BDT 55,000 including benefits (subject to Tax). On successful completion of the trainee period (assessed by examination/evaluation), MTO will be directly placed as Principal Officer with monthly salary of BDT 65,000 (subject to Tax).

Trainee Officer (TO): TO will get a monthly allowance of BDT 28,000 including benefits during the one-year trainee period. On successful completion of the trainee period (assessed by examination/evaluation), TO will be directly placed as Officer with monthly salary of BDT 40,000 (subject to Tax, if any).

Trainee Assistant Officer (TAO) and Trainee Assistant Cash Officer (TACO): TAO and TACO will get a monthly allowance of BDT 20,000 including benefits during the one-year trainee period. On successful completion of the trainee period (assessed by examination/evaluation), TAO will be directly placed as Assistant Officer and TACO will be placed as Assistant Officer (Cash) respectively with monthly salary of BDT 32,000 (subject to Tax, if any).

Job Location

Management Trainee Officer (MTO): Anywhere in Bangladesh. Candidates not willing to serve outside of Dhaka need not apply.

Trainee Officer (TO), Trainee Assistant Officer (TAO) and Trainee Assistant Cash Officer (TACO): Posting will be outside of Dhaka.

Age Limit

Prospective candidates' age must not be more than 30 years as on 21 March 2020.

Service Guarantee

At the time of joining, selected candidates must give guarantee to serve the bank minimum five years including the trainee period or to pay the training & development cost.

Selection Procedure

Only short listed candidates will be called for the Written Test. Based on merit, selective applicants will be asked to face interview.

Application Procedure

Please apply online at www.bdjobs.com. Note that candidate must not apply for more than one position.

We are an equal opportunity employer, however, reserve the right to accept or reject any/all applications.

Last date of online application submission is **Saturday, 21 March 2020**.

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