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By Mouly Deowan & Arif Ahsan

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Analyzing the Competitors of Stock Market for Stock Investments (A Study on Textile Industry Under Dhaka Stock Exchange, Bangladesh)

Mouly Deowan [α] & Arif Ahsan [σ]

Abstract- **The stock market refers to the collection of markets and exchanges where buying and selling of shares of publicly held companies takes place. Here in this paper we mainly focus on Dhaka Stock Exchange. Where we choose the Textile Industry listed in Dhaka Stock Exchange for analyzing the competitors. As the Textile Industry of Bangladesh is a successful industry so competitor analysis is important issue to consider. Here we supposed to hold the shares of HR. Textile Ltd and we also take another six textiles to analyze the competitors. By the competitor analysis we can ensure whether to hold the current company shares or we should switch the company.**

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I. Introduction

The stock market is a marketplace for the trading of stocks or shares. It helps to trade financial instruments like bonds, mutual funds, as well as shares of companies. Stock exchange is the basic platform that provides the facilities used to trade company stocks and other securities. It is the meeting place of the stock buyers and sellers. Stock typically takes the form of shares of either common stock or preferred stock. A stock may be bought or sold only if it is listed on an exchange. Bangladesh's premier stock exchanges are the Dhaka Stock exchange and Chittagong stock exchange. Here the main concern is Dhaka Stock exchange listed companies. Dhaka Stock Exchange incorporated as East Pakistan Stock Exchange Association Limited on April 28, 1954. As public limited company the name was revised to East Pakistan Stock Exchange Ltd on June 23, 1962. Again on May 14, 1964 the name of East Pakistan Stock Exchange Limited was changed to "Dacca Stock Exchange Ltd.". Although incorporated in 1954, the formal trading started in 1956 at Narayanganj after obtaining the certificate of commencement of business. But in 1958 it was shifted to Dhaka and started functioning at the Narayangonj Chamber Building in Motijheel C/A.

For any types of industry competitor analysis is very important to know the current position of their company for maintaining its position in stock market. The textile industry also required the competitor analysis. As the Textile industry is one of the oldest and most successful industries with its rich history. Moreover, in recent years there has been a substantial development in yarn and fabric production *(Fibre 2 Fashion)*. So proper competitor analysis is a vital issue there. By analyzing the competitor they can ensure their strength and weakness in comparison to other companies. This will help to know the investment requirement of any company. There are many companies listed in Dhaka stock exchange but all the companies are not same competitive. For knowing the competitor some analysis is required. This report will give the textile industry a significant competitive analysis to know their position in stock market.

The textile and clothing sector is the largest manufacturing activity in Bangladesh. The textile and clothing (T&C) industries provide the single source of economic growth in Bangladesh's rapidly developing economy. Exports of textiles and garments are the principal source of foreign exchange earnings *(Afsana)*. As global demand for cheap clothing raises rapidly, Bangladesh's position as the second biggest exporter of garments in the world continues to hold strong, which is mainly due to its large population and low labor costs. In fact, according to the World Bank, the country's GDP is expected to grow to 6.7 percent this year, which will make Bangladesh one of the faster growing economies in the world *(Textile Value Chain)*. From the Bangladesh Textile Mills Association we get the information that there are 1461 member mills in Bangladesh. Among them Yarn manufacturing mills are 425. Fabric manufacturing mills 796. Dyeing-printing- finishing mills 240. There is huge contribution of textile industry in Bangladesh economy. The Investment in the Primary Textile Sector: over 4.5 billion US$, The Value addition in knit & woven RMG are over 70% & 35% respectively, Textile sector contributes more than 12% in GDP, Over 81% of the export earning comes from Textiles & Textile related products, Around 90% yarn demand for knit RMG & 35-40% yarn demand for woven RMG are met by Primary Textile Sector (PTS), Local fabric demand & the yarn demand for handloom are also met by Primary Textile Sector (PTS), Backward & Forward linkage industries provide employment for more than 5 million people

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where 80% are female, PTS industries producing around 1200 MW power through Captive Generator *(Bangladesh Textile Mills Association)*.

II. Objectives of the Research

In this research paper, our main focus is to find out the current situation or current market mechanism of the competitors of textile industries under Dhaka Stock Exchange. Identification of the competitors' position of textile industries in DSE regarding their activities and suggestions to the investors in this regard there are also the prime objectives of this research.

III. Limitations of the Research

In this research paper, a whole-hearted effort was applied to collect, organize, and interpret the related data and information, and to attain the optimum outcome of the research. In spite of these efforts, there exist some limitations in this research paper that acted as a barrier to conduct the research. There is a saying "There is no unmixed blessing on earth". In case of making this research paper this proverb was proved again. We had to work with secondary data and some secondary data are recently not updated. If the data would updated recently then it will help for making the research paper more precisely.

IV. Review of the Literature

a) Financial Institutions and Markets

Most successful firms have ongoing needs for funds. They can obtain funds from external sources such as-financial institutions, financial markets etc. Financial institutions serve as intermediaries by channeling the savings of individuals, businesses, and governments into loans or investments. Many financial institutions directly or indirectly pay savers interest on deposited funds; others provide services for a fee (for example, checking accounts for which customers pay service charges). Some financial institutions accept customers' savings deposits and lend this money to other customers or to firms; others invest customers' savings in earning assets such as real estate or stocks and bonds; and some do both. Financial institutions are required by the government to operate within established regulatory guidelines. Financial markets are forums in which suppliers of funds and demanders of funds can transact business directly. Whereas the loans and investments of institutions are made without the direct knowledge of the suppliers of funds (savers), suppliers in the financial markets know where their funds are being lent or invested. The two key financial markets are the money market and the capital market. Transactions in short-term debt instruments, or marketable securities, take place in the money market. Long-term securities-bonds and stocks-are traded in the capital market. The Market Capitalization is the total market value, at the current stock exchange list price of the total number of equity shares issued by a company.

Financial markets play an extremely important role in corporate finance. Financial create an open and regulated system for companies to get large amounts of capital. This is done through the stock and bond markets. Markets also allow these businesses to offset risk. They do this with commodities, foreign exchange futures contracts, and other derivatives. The primary advantage of the corporate form of organization are that ownership can be transferred more quickly and easily than with other forms and that money can be raised more readily. Both of these advantages are significantly enhanced by the existence of financial markets.

To raise money, firms can use either private placements or public offerings. Most firms, however, raise money through a public offering of securities, which is the nonexclusive sale of either bonds or stocks to the general public. The stock exchange provides a sound and stable securities market where shares can be bought and sold. The stock exchange provides listed companies with a channel seek capital fund from the public and at the same time it provides the investors a place to buy and sell shares of the listed companies. The exchange also monitors the market to ensure that it is working efficiently, fairly and transparently.

The following types of securities are available on the stock market for investment: Ordinary shares of listed companies, Mutual funds, Debenture, Bond.

Share represents a small stake in the total paid up capital of a company. In fact a public limited company is one that is formed to accumulate capital from a large pool of investors. Therefore total capital of such companies is divided into smaller equal denomination unit represented by a share/capital. One may buy large or small lots to match the amount of money that one wants to invest. A company's share price can rise or fall as a result of its own performance or market conditions. Once the shares are bought and transferred to new investor's name, the name will be entered in the company's share register, the new investors will then be entitled to receive all the benefits of share ownership including the rights to receive dividends, to vote at the company's general meetings and to receive the company's reports.

Don't put in your money until you have understood all relevant information regarding the investment. Prepare yourself for the vigorous homework of analyzing company's annual reports, EPS (Earning per Share), accounts and other statements while keeping abreast of what's happening in the industry, country and elsewhere that may affect your investment. Consult your investment adviser/broker to get latest market information about shares you intend to buy or sell. Be skeptical of anything picked up from rumors, particularly if you cannot rationally explain their choice. Bear in mind that even in the best of securities/shares,

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there can be short-term aberrations. It is important to have the power to hold your investments for longer periods. Studies have shown that investments properly timed and based on strong fundamentals have been very profitable for investors in the longer term.

Financial markets function as both primary and secondary markets for debt and equity securities. The term primary market refers to the original sale of securities by governments and corporations. This is the only market in which the corporate or government issuer is directly involved in the transaction and receives direct benefit from the issue. That is, the company actually receives the proceeds from the sale of securities. Once the securities begin to trade between savers and investors, they become part of the secondary market. The primary market is the one in which "new" securities are sold. The secondary markets are those in which these securities are bought and sold after the original sale. Equities are, of course, issued solely by corporations. Debt securities are issued by both governments and corporations. The secondary market can be viewed as a preowned securities market.

Few key terms related to financial institutions & markets:

Securities Exchanges: Securities exchanges provide the marketplace in which firms can raise funds through the sale of new securities and purchasers of securities can easily resell them when necessary. Many people call securities exchanges "stock markets," but this label is misleading because bonds, common stock, preferred stock, and a variety of other investment vehicles are all traded on these exchanges.

Organized Securities Exchanges: Organized securities exchanges are tangible organizations that act as secondary markets where outstanding securities are resold. Organized exchanges account for a major share of stock trading of domestic shares.

The role of security exchanges: Role of Stock Exchanges are varied and highly important in the development of economy of a country*(raising capital for businesses, mobilizing savings for investment, facilitating company growth, profit sharing, corporate governance, creating investment opportunities for small investors, government capital raising for development projects etc.)*. They measure and control the growth of a country. Stock markets are the places, where exactly company does their business. Company's stock trading transactions are executed at the stock exchanges through their broker, unless they have a membership with that exchange, which enable them to trade directly.

Common Stock: The true owners of business firms are the common stockholders. Common stockholders are sometimes referred to as residual owners because they receive what is left-the residual-after all other claims on the firm's income and assets have been satisfied. They are assured of only one thing: that they cannot lose any more than they have invested in the firm. As a result of this generally uncertain position, common stockholders expect to be compensated with adequate dividends and, ultimately, capital gains.

Closely Owned (stock): All common stock of a firm owned by a small group of investors (such as a family).

Publicly owned (stock): Common stock of a firm owned by broad group of unrelated individual or institutional investors.

Authorized Shares: The number of shares of common stock that a firm's corporate charter allows it to issue.

Authorized Capital: Maximum value and amount of total shares that a company is authorized to issue legally is termed as authorized capital or authorized share capital. It is the maximum amount a company can raise as capital in form of both equity shares and preference shares during its lifetime.

Outstanding Shares: The number of shares of common stock held by the public.

Treasury Stock: The number of shares of outstanding stock that have been repurchased by the firm.

Issued Shares: The number of shares of common stock that have been put into circulation; the sum of outstanding shares and treasury stock.

Preferred Stock: Preferred stock gives its holders certain privileges that make them senior to common stockholders. Preferred stockholders are promised a fixed periodic dividend, which is stated either as a percentage.

Par-value preferred stock: Preferred stock with a stated face value that is used with the specified dividend percentage to determine the annual dollar dividend.

No-par preferred stock: Preferred stock with no stated face value but with a stated annual dollar dividend.

Dividend: In accounting, dividends often refer to the cash dividends that a corporation pays to its stockholders or shareholders. Dividends are often paid quarterly, but could be paid at other times. For a dividend to be paid, the corporation's board of directors must formally approve/declare the dividend.(Harold)

Paid in capital/Paid up capital: Paid in capital/Paid up capital is the payments received from *investors* in exchange for an entity's *stock*. This is one of the key components of the total equity of a business.

Earnings per share (EPS): Earnings per share or EPS is an important financial measure, which indicates the profitability of a company. It is calculated by dividing the company's net income with its total number of outstanding shares. It is a tool that market participants use frequently to gauge the profitability of a company before buying its shares.

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Share Category: The share category is divided into shares of the company in different groups according to the company's performance on the market.

According to DSE there are 4 category shares: A, B, N, & Z category shares.

A-Category Companies: Companies which are regular in holding the *Annual General Meetings* and have declared dividend at the rate of *10 percent* or more in the last English calendar year.

B-Category Companies: Companies which are regular in holding the *Annual General Meetings* but have *failed* to declare dividend at least at the rate of *10 percent* in the last English calendar year.

N-Category Companies: Newly listed companies except green-field companies which shall be transferred to other categories in accordance with their *first dividend declaration* and *respective compliance* after listing of their shares.

Z-Category Companies: Companies which have *failed* to hold the *Annual General Meeting* when due or have *failed to declare any dividend* based on annual performance or which are *not in operation continuously for more than six months* or whose *accumulated loss* after adjustment of revenue reserve, if any, exceeds its paid up capital.

If you buy any shares from *Category A, B* or *N,* your shares will mature in *T+2* settlements cycle (refers to *Today + 2 working days*). This means you can sell the shares you bought after 2 working days. So, if you buy Category A, B or N shares on *Sunday*, the trade will be settled on *Tuesday*. Friday, Saturday, bank and exchange holidays are excluded.

If you buy any shares from *Category Z*, your shares will mature in *T+9* settlements cycle (refers to *Today + 9 working days*). This means you can sell the shares you bought after 9 working days.

b) Products of Dhaka Stock Exchange

Currently two types of Equity instruments are tradable at DSE -

Equity:

These are ordinary shares of listed companies. For a certain period from the IPO date certain number of shares is not tradable. 3 years after listing all shares are usually tradable unless there are right offerings. Directors' portion of right shares is not tradable for 1 year. DSE Indices are calculated based on free float shares of selected listed companies. Free float is adjusted for non-tradable shares, institutional holdings, strategic holdings and sponsor-director holdings. Equity shares depending on the category have settlement period of T+2 or T+9. For implementation of record dates for corporate actions shares are sometimes placed on T+0 settlement cycles for certain number of days.

Mutual Funds:

These are units of one of the variants of listed collective investment schemes. These funds are usually closed end mutual funds governed by the Securities and Exchange Commission (Mutual Funds) Rules, 2000 and are backed by one corporate sponsor and usually are named with the sponsor's name. The sponsors are required to hold at least 10% of the holding for at least a period of 1 year and 1% of the holding for the total life of the fund. There are designated Asset managers and Trustees. The Asset Managers manage the funds on day to day basis and investment strategies are governed by the IPO prospectus and are supervised by the Trustees. All assets of a mutual fund is maintained with a custodian. Mutual funds are traded on a T+2 settlement cycles. For implementation of record dates for corporate actions shares are sometimes placed on T+0 settlement cycles for certain number of days. Mutual Funds are not parts of any indices. Asset managers are required to disclose NAV of respective mutual funds on weekly basis.

Debt:

Currently three types of Debt instruments are tradable at DSE.

Corporate Bonds:

There are corporate bonds issued by companies that may or may not be listed with DSE. All current bond issuers are listed with DSE. Corporate Bonds are traded on T+2 settlement period trading fees, unlike equities, are fixed at Taka 50 per transaction.

Treasury Bonds:

All treasury bonds issued by the Bangladesh Bank (Central Bank of Bangladesh) are listed with DSE. The common maturities are 5, 10, 15 and 20 years. Coupon rate varies from 8.5% to 13% depending on when the bonds were issued. Par value of each Treasury bond is Tk. 100,000. There is a alternate market for trading treasury bonds hosted by Bangladesh Bank where the AD Banks can participate in trading. Settlement period for treasury bonds are T+0 and trading fees, unlike equities, are fixed at Taka 50 per transaction.

Debentures:

These are unsecured debt instruments issued by listed companies. They carry both variable and fixed interest rates. All currently listed debentures are matured and are still listed due to some incomplete legal proceedings. Debentures are traded on T+2 settlement period trading fees, unlike equities, are fixed at Taka 50 per transaction.

Future Products:

DSE has already initiated steps to explore and ultimately launch various new tradable products starting with Exchange Traded Funds to be followed in the long

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term by expansion of current product offering to include Convertibles, Bonds, Shariah Compliant Products including Sukuk, ETFs and REITs. Once these products are in mature form the department will be seeking to launch related hedging products. Fresh dialogue with Bangladesh Bank will be initiated to allow active trading of Treasury Bonds on the Exchange. Future Product design, marketing, formation of regulatory framework, stakeholder readiness are all part of work plans for the Division.

V. Analysis and Findings

I have selected my competitors under the criteria of Earnings per share, turnover, Cash dividend, listing year, Last trading price, authorized capital and Market category of shares. The first two companies Saiham textile and Prime textile I have selected as my competitors under the given criteria whereas the other two companies Hwa well textile and Hamid fabrics I have selected as my competitors based on the nature of the investors or shareholders in the share market.

List of possible competitors:

Table 1: List of possible competitors

27/10/18 Time: 2.30pm	HR. Textile. Ltd.	Tosrifa Industries Ltd.	Simtex Industries Ltd.	Saiham Textile Mills Ltd.	Prime Textile Spinning Mills Ltd.	Hwa Well Textiles (BD) Limited	Hamid Fabrics Limited
Opening price	37.10	22.20	37.50	39.70	36.30	38.00	26.50
Last trading price	37.70	22.60	38.40	39.00	34.50	37.90	26.50
Change (%)	2.17	0.44	(1.05)	(1.76)	(3.09)	2.16	(0.38)
Authorized Capital (mn)	1000	1000	1000	1500	1500	1000	2000
Paid up Capital (mn)	253.00	631.69	659.18	905.63	382	560.00	910.57
Cash dividend	2017-10%,2016-10%, 2015-10%	2017-10%,2016-12%,2014-5%	2017-2%,2016-20%	2017-12%,20165%	2017-10%,2016-10%, 2015-10%	2017-15%,2016-15%, 2015-15%,2014-15%	2017-15%,2016-15%, 2015-15%,2014-10%
Market price	43.5	21	28.1	19	23.1	37.7	24.4
Listing year	1997	2015	2015	1988	1995	2014	2014
Market Category	A	A	A	A	A	A	A
Market Capitalization	933.570	1421.292	2504.865	3595.331	1359.920	2077.600	2422.124
Turnover Revenue (9 months) mn	1469.11	874.22	1014.12	1634.16	1259.95	975.19	1842.53
Earnings per Share	1.70	0.51	1.54	1.21	0.73	1.79	1.54

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Selection of Competitors:

Table 2: Selection of Competitors

27/10/18 Time: 2.30pm	HR. Textile. Ltd.	Saiham Textile Mills Ltd.	Prime Textile Spinning Mills Ltd.	Hwa Well Textiles (BD) Limited	Hamid Fabrics Limited
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Selection of Competitors: I have selected my competitors under the criteria of Earnings per share, turnover, Cash dividend, listing year, Last trading price, authorized capital and Market category of shares. The first two companies Saiham textile and Prime textile I have selected as my competitors under the given criteria whereas the other two companies Hwa well textile and Hamid fabrics I have selected as my competitors based on the nature of the investors or shareholders in the share market.

Why Saiham textile and Prime textile have been selected:

- My company HR textile is giving consistently a cash dividend of 10% from year of 2015 to 2017 whereas Prime textile is giving same amount of cash dividend of 10% from year of 2015 to 2017. Prime textile's dividend trend also looks good and it was 5% in the year of 2016 12% in the year of 2017.
- My company's turnover is 1469.11mn whereas saiham textile and Prime textiles turnover is 1634.16mn and 1259.95 mn respectively which are close to my company.
- My company's listing year was 1997 whereas other two competitors listing year was 1988 and 1995 which are closest to my company.
- My company's market category is A whereas other two competitors saiham textile and prime textile are also A categorical company.
- My company's last trading price 37.70 whereas saiham textile and prime textile have a last trading price of 39 and 34.50 which is much closer to my company.
- My company's authorized capital is 1000 mn whereas saiham textile and prime textile have an authorized capital of 1500 mn and 1500 mn respectively. There is a difference but that is not that much high.
- My company HR textile has earnings per share of 1.70 whereas saiham textile and prime textile have earnings per share of 1.21 and 0.73 respectively. The earnings per share of saiham textiles are closer to my company whereas there is a difference in earnings per share between my company and Prime textile. But still I think prime textile company can give more earnings per share in upcoming years because the company is sustainable.

So, those who don't want to take risk that means less risk taker can invest in saiham textile and prime textile company because these two companies

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are more sustainable considering their listing year in DSE.

Why Hwa well textile and Hamid fabrics have been selected:

These two competitors have been selected based on the nature of the investors in the share market. Hwa well textile and Hamid fabrics have been listed in the year of 2014 in DSE. In terms of listing year these two companies are less sustainable. Generally, the companies which are new in the stock market they start giving a good amount of cash dividend for the first few years to attract more investors in the stock market. After a certain period of time they might give fewer dividends as the future is uncertain .That's why the market value of the share falls. Although Hwa well textile and Hamid fabrics are new in the stock market but they are giving consistently a good amount of cash dividend of 15%. That means the dividend trend looks good. These types of companies are usually good for risk taker investors.

So, those who want to take risk that means risk taker investors can invest in these two companies to get more dividends. That's why I have selected Hwa textiles and Hamid fabrics as my competitors because these two companies might take away the investors from my company.

Competitors based on Less Risk Taker Investors:

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Last trading price	37.70	39.00	34.50
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Cash dividend	2017-10%,2016-10%, 2015-10%	2017-12%,2016-5%	2017-10%,2016-10%, 2015-10%
Listing year	1997	1988	1995
Market Category	A	A	A
Turnover Revenue (9months) mn	1469.11	1634.16	1259.95
Earnings per Share	1.70	1.21	0.73

If we do not want to take risk more risk on investment then we will invest on Saiham textile and Prime textile's stock. Because their trading price per stock is reasonable at the same time they announce dividend regularly with a moderate dividend rate. Both of the companies are also A category company in the Dhaka stock exchange.

Competitors based on high Risk Taker Investors:

27/10/18 Time: 2.30pm	HR. Textile. Ltd.	Hwa Well Textiles (BD) Limited	Hamid Fabrics Limited
Last trading price	37.70	37.90	26.50
Authorized Capital (mn)	1000	1000	2000
Cash dividend	2017-10%,2016-10%, 2015-10%	2017-15%,2016-15%, 2015-15%,2014-15%	2017-15%,2016-15%, 2015-15%,2014-10%
Listing year	1997	2014	2014
Market Category	A	A	A
Turnover Revenue (9months)mn	1469.11	975.19	1842.53
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If we expect more dividends then we can invest in Hwa Well Textile and Hamid Fabrics because they offer high dividends comparatively. We consider them high risk investment because sometimes their trading price goes up which cannot be afford for all types of investors.

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Breakdown ⇨ Subdivision

Competitors Based on Less Risk Taker Investors

Competitors Based on Risk Taker Investors

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Earnings per Share	1.70	1.79	1.54

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Tosrifa textile and Simtex textile has not been selected for investment:

The first two competitors have not been selected for following reasons:

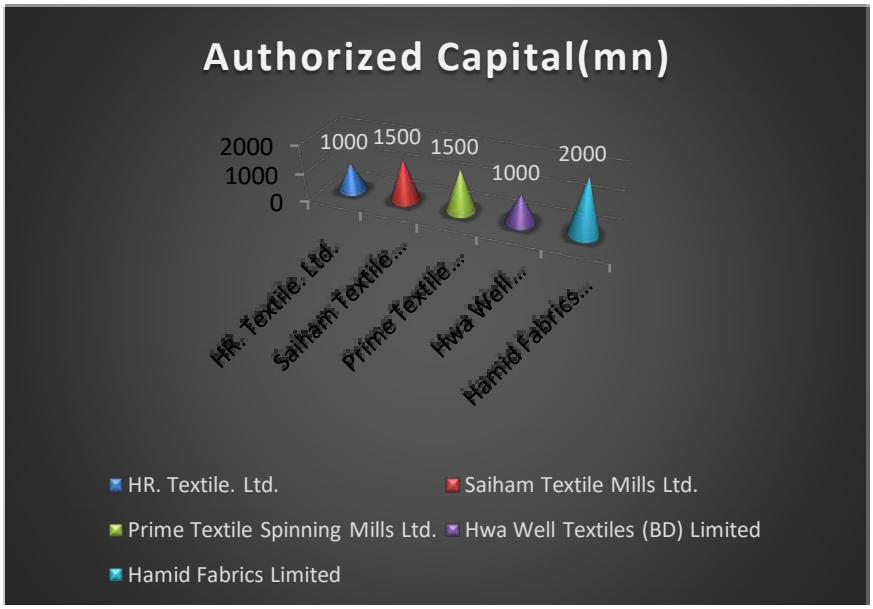
1. My company's listing year in the DSE was 1997 whereas both of those two company's listing year was 2015. That means my company is more sustainable than those two companies. For this the first two competitors have not been selected.
2. My company's revenue is 1469.11 mn whereas those two company's revenue are 874.22 mn and 1014.12 mn respectively which is not close to my company's revenue but the rest of the competitors revenue are more close to my company's revenue.
3. My company's market price per share at the period end is 43.5 whereas other two companies have a market price per share at the period end is 21 and 28.1 respectively which is indicating a big difference.

Graphical Comparison among the competitors based on different investment factors:

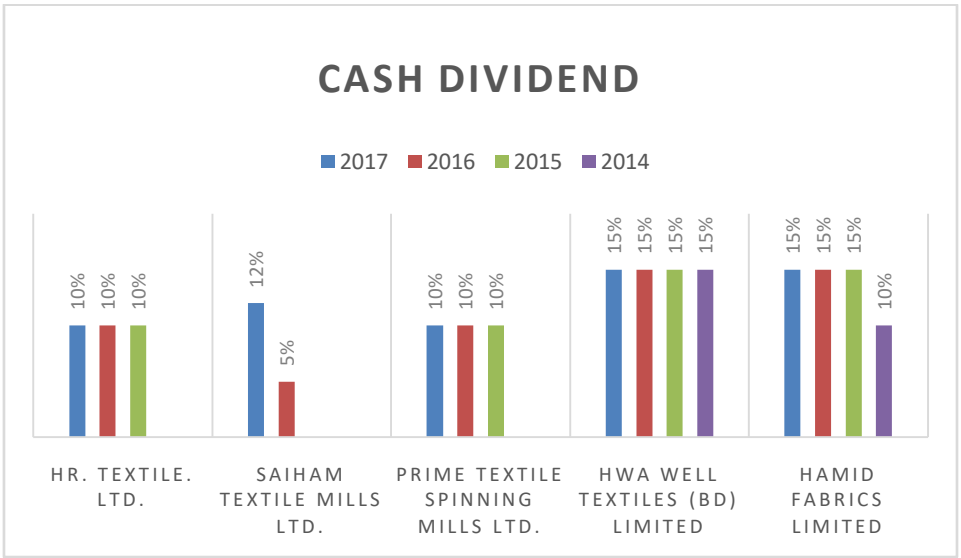


From the above graphical analysis we can see that the last trading price of HR textile is 37.7 whereas Saiham textile, prime textile and Hwa well textile have last trading price of 39, 34.5 and 37.9 respectively which is almost closest to my company HR textile. These four companies' shares are traded at a good market price but Hamid fabrics is being traded at 26.5 which is quite less compared to rest of the four companies. Last trading price is always important for an investor because it provides the investor with latest buy or sell value or market price of shares from where he can take his investment decisions in which company's share he will purchase.

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From the above graphical analysis we can see that my company HR textile and competitor company Hwa well textiles have authorized capital about 1,000 mn. Whereas other three competitors companies saiham textile, prime textile and Hamid fabrics have authorized capital of 1500 mn, 1500 mn and 2000 mn respectively. That means my company HR textile can raise less capital by issuing share in the stock market compared to saiham textile, Prime textile and hamid fabrics. From the graphical analysis it is clear to us that hamid fabrics can raise more capital by issuing shares in the stock market as per their requirement and the amount is 2000 mn which is bigger than any other companies listed in the graph.



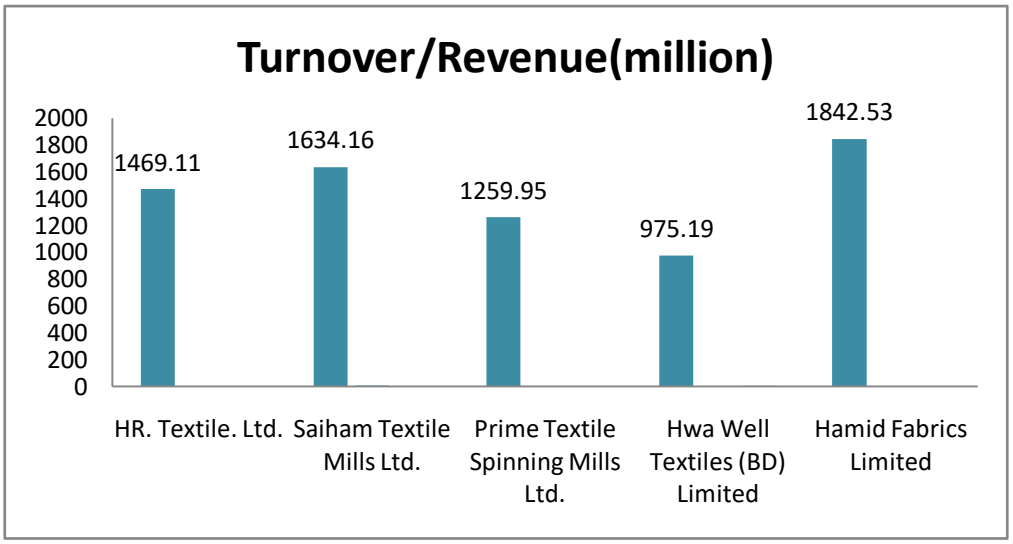
From the above graphical analysis we can see that except Saiham textile, my company HR Textile and its three other competitors Prime textile, Hwa well textile and Hamid fabrics are consistently giving good amount of cash dividend. That means the trend of giving cash dividend for these companies look good. On the other hand, Saiham textiles dividend trend doesn't look good. If we analyze the graph then we will be able to find that Hwa well textiles and Hamid fabrics these companies are giving more cash dividend than my company because they are almost new in the share market. As these two companies are new in the share market they are giving good amount of cash dividend so that more investors can be attracted to raise the companies' capital. But I think my company is more reliable or sustainable in terms of giving cash dividend to its shareholders or investors because my company doesn't have any short- term loan whereas those two companies have short-term loan. So, if these two companies short-term continue to increase in the upcoming years then they may give fewer dividends to their shareholders. That's why these two companies should meet up their short-term liabilities first. Then they can think about giving dividend to their shareholders. As my company HR textile doesn't have any short-term loan and their

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dividend trend is good, therefore, investing in HR textile will definitely be a wise decision.



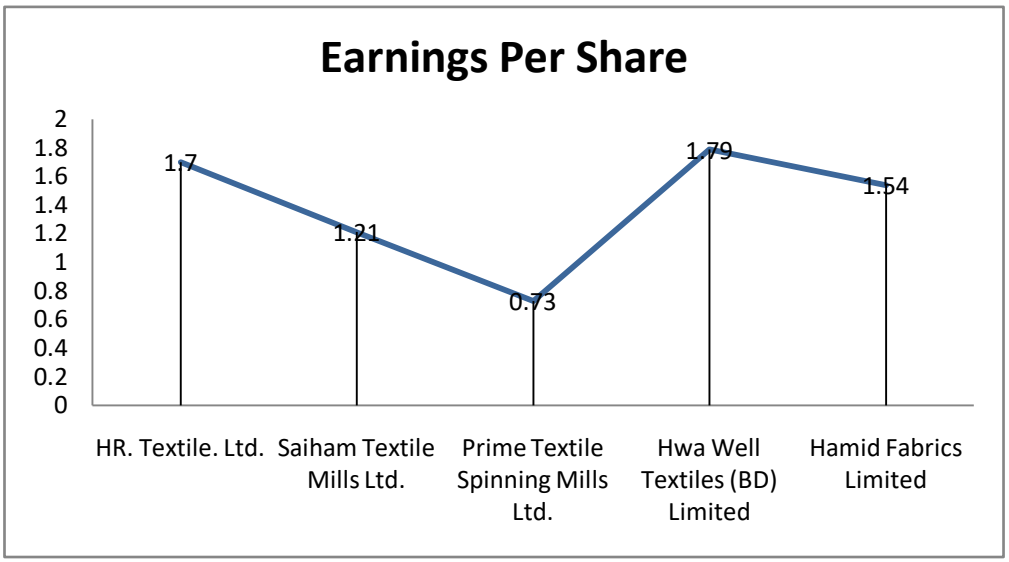
Listing year is always an important issue in terms of measuring the sustainability of a company. The earlier a company is listed in DSE the more sustainability the company has. From the graphical analysis we can see that my company HR Textile and two other competitor companies saiham textile and prime textile were listed in the stock market in the year of 1997, 1988 and 1995 respectively and these companies are more sustainable whereas both Hwa well textiles and Hamid fabrics were listed in the stock market in the year of 2014 and these two competitors are less sustainable. So, investing in HR textile, Saiham textile and Prime textile can be a good decision. On the other hand, investing in Hwa well textile and Hamid fabrics can be vulnerable because they are almost new in the stock market. If the dividend trend is good of these two newly established companies, then those who are risk taker they can invest in these two companies.



From the above graphical analysis we can see that in the year of 2017 the Turnover for HR textile ltd. Was 1469.11 mn whereas the turnover for Saiham textile, Prime textile, Hwa well textiles and Hamid fabrics are 1634.16 mn, 1259.95 mn, 975.19 mn, 1842.53 mn respectively. From the above graph it can be said that Prime textile and Hwa well textile generated less revenue compared to my company whereas saiham textile and Hamid fabrics generated more revenue than my company. In terms of generating revenue I think my company HR textile is better than all of my competitors. In terms of market category all of my competitors including my company can be a categorical company but in terms of market size my company is not larger than my competitors. So, larger companies generally tend to have more fixed assets. Although my company is smaller than my competitors in terms of market size but still it is generating revenue of 1469.11 mn which is much better than the competitors and satisfactory. That means my company is making the maximum utilization of its assets to generate revenue which is known as asset turnover ratio. On the other hand, although the competitors are bigger than my company in terms of market size, they are not being able to generate a big

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amount of revenue compared to my company which means the competitors are not making the maximum utilization of their assets to generate revenue. So, my company is more efficient in generating revenue than my competitors.



From the above graphical analysis we can see that in the year of 2017 the earnings per share for HR textile ltd. Was 1.70 whereas the earnings per share for Saiham textile, Prime textile, Hwa well textiles and Hamid fabrics are 1.21, 0.73, 1.79, 1.54 respectively. From the above graph it can be said that except prime textile, rest of the three competitors' earnings per share is almost closest to my company. In terms of giving earnings per share Hwa well textile is ahead than my company but still I think my company HR textiles is better than Hwa well textiles because my company has been listed in DSC in the year of 1997 whereas Hwa well textile has been listed in DSC in the year of 2014. Therefore, my company HR textile has more sustainability.

VI. Recommendations

As our main concern of this paper is competitor analysis so in this type of paper we should deeply analyze some criteria like Earning per share, Last trading price, authorized capital, Turnover, Cash dividend, listing year, Market category of shares and so on. In this type of study we should analyze the dividend first. The companies which give dividend in a regular manner that is more profitable and that should be select as a sustainable company. For this we should also note the listing year and the category of the company. With that we should analyze the turnover, last trading price, authorized capital also. We have to also perceive which company is risk taken. If we want to make more profit we can choose those types of companies because there is a chance of big profit there. Though there is also risk of loss so in that case we should analyze the sustainability of the company. In this type of cases we should see the listing year. Listing year can give realistic information about the sustainability of the company. If the company performing well in terms of generating more earning per share ratio then we need to focus more on generating more net profit in the upcoming years. So that, the profit margin retain in high position.

VII. Conclusion

The report is based on analyzing profitability ratio of HR. Textile ltd. and finding out and analyzing the competitors of HR.Textile ltd. HR.Textile is a listed company of Dhaka Stock Exchange. It has listed in DSE in 1997. It is an A categorical company. All kinds of essential information of Dhaka Stock Exchange and HR. Textile Ltd. are included in the report. Here, we basically tried to find out suitable competitors for HR. Textile Ltd. Throughout this report we analyzed and remarked the comparison between HR. Textile Ltd. and its competitors. We calculated Net profit margin ratio, Gross profit margin ratio and Earnings per share ratio under profitability ratio of three years. We also showed the graph of each profitability ratio and interpreted the graphs and gave some recommendations based on the effects of each profitability of HR. Textile Ltd.

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