



# Competitor Analysis of Lisa Apparel Private Limited

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**Abstract:** The apparel industry encompasses the creation, manufacturing, and global distribution of clothing and accessories, catering to diverse customer preferences from formal to casual wear. Market competitiveness is shaped by fashion trends, ecommerce expansion, and global demand. Challenges include labor disputes, complex supply chains, and environmental concerns due to synthetic materials. However, new markets and sustainable initiatives like 3D printing and AI are emerging. The sector's evolution hinges on innovation, market adaptability, and balancing environmental responsibility with business sustainability in a dynamic global landscape.

## 1. INTRODUCTION

To obtain a competitive advantage over its rivals, brands in the apparel industry must constantly strive, just like any other firm nowadays. For this reason, a brand needs to be fully aware of the procedures and products that its rivals are offering.

Comprehending the competition product may entail comprehending its pricing strategy, quality, stylistic features, and other aspects. While knowing the process could be important, it might also be important to know how a competitor can make a better product for less money. Thus, the company must set benchmarks among its competitors and work hard to accomplish and beat the competitors' performances for the brand to stay current in the market and be aware of its strengths and limitations.

1. **Product Understanding: Pricing Strategy:** To make sure your pricing is competitive while still retaining profitability, research the pricing methods of your rivals.
2. **Quality:** Evaluate your items' level of quality by contrasting it with that of your rivals. Determine where quality has to be improved to meet or surpass market expectations.
3. **Style Specifics:** Keep abreast of emerging trends and be aware of how your rivals are implementing them into their goods.
4. **Process Knowledge: Effectiveness:** Examine the manufacturing procedures used by your rivals to find areas where you may cut expenses and increase productivity without sacrificing quality.
5. **Supply Chain:** Examine the supply chains of your rivals to find areas where you may streamline and shorten lead times on your own.
6. **Setting benchmarks:** Base your benchmarks on the performance of your competitors and industry norms. Track your development and pinpoint areas in which you still need to improve by using these benchmarks.
7. **Constant Improvement:** Aim for constant enhancements in every facet of your company, including customer service and product quality.

To keep ahead of the competition and innovate, spend money on research and development. Try out novel technology and procedures to boost productivity and expand your product line.

8. **Customer input:** Learn about the preferences and expectations of your customers by gathering their input. Make data-driven decisions and enhance your offerings by utilizing this input.

Keep an eye on your competitors' customer reviews and ratings to find opportunities to stand out from the competition and provide them with better value.

By regularly examining and studying your competitors' strategies, goods, and processes, you can uncover areas for improvement and innovation in your own company. Adopting a proactive approach can assist you in maintaining a strong market position and remaining competitive in the ever-changing garment sector.

## 2. NEED OF THE STUDY

Examining rivals' success in the Western menswear industry requires a multidimensional approach that extends beyond the features of the products. Key indications that shed light on each competitor's current situation regarding Lisa Apparels Pvt Ltd are their financial statements, profitability, and operational effectiveness.

A company's income, costs, earnings, and assets are all shown in detail in its financial statements, which provide a holistic picture of its financial situation. It is possible to assess a competitor's financial performance by contrasting these statements with market leaders and industry benchmarks. This research provides a clear picture of the competitor's financial stability and growth potential by highlighting strengths and weaknesses such as profitability margins, liquidity ratios, and solvency metrics.

Evaluating aspects such as inventory turnover, supply chain management, production processes, and resource use are all part of the process of determining operational efficiency. Gaining a competitive advantage, a highly efficient rival may provide goods more rapidly, cut expenses, and react promptly to market demands.

Furthermore, knowing how a rival contributes to the manufacturing industry sheds light on its importance economically. This entails evaluating elements including the creation of jobs, infrastructure and technology investments, market share, and contribution to the expansion of the sector as a whole. Strong presence and influence within the industry are shown by a sizable market share, while the potential for future expansion and competitiveness is indicated by innovations and investments.

To summarize, a comprehensive evaluation of rivals in the Western menswear industry entails examining their financial standing, operational effectiveness, and overall economic influence on the manufacturing industry. With the use of this method, Lisa Apparels Pvt Ltd may strengthen its competitive position and make more informed strategic decisions by identifying potential threats, opportunities, and areas for improvement.

## 3. RESEARCH DESIGN

### 3.1 Research Gap

Comprehensive comparison studies that particularly examine competitor analysis performance utilizing both technical and fundamental analysis are hard to come by. It is rare in the literature to find a comprehensive analysis that integrates these two methods.

### 3.2 Data and Sources of Data

For this study secondary data has been collected. From the website of KSE the monthly stock prices for the sample firms are obtained from Jan 2010 to Dec 2014. And from the website of SBP the data for the macroeconomic variables are collected for the period of five years. The time series monthly data is collected on stock prices for sample firms and relative macroeconomic variables for the period of 5 years. The data collection period is ranging from January 2010 to Dec 2014. Monthly prices of KSE 100 Index is taken from yahoo finance.

### 3.3 Theoretical framework

Understanding competitors' pricing, offerings, and positioning through competitor analysis is essential for making strategic decisions in the apparel sector and promotes innovation and market positioning. In addition to directing reactions to technical advancements and market changes, this data facilitates supply chain optimization, brand improvement, and consumer loyalty tactics. For long-term success and expansion in a changing industry, a culture of continuous development and adaptation based on competition insights and market dynamics is essential.

### 3.4 RESEARCH METHODOLOGY

#### a. Secondary Data:

The theoretical basis of the research is established by the utilization of secondary data obtained from official sources. It then uses data that is readily available web to perform a comparative analysis of the company's rivals. This methodology makes it possible to thoroughly examine the competitive environment and adds to a solid comprehension of the dynamics of the market.

#### b. Data Analysis Plan:

The research plan involves utilizing secondary data from official websites to develop the theoretical foundation. The focus will be on analyzing competitors to gain insights into the company's position in the market. This approach aims to provide a comprehensive understanding of the competitive landscape and inform strategic decision-making.

#### 4. RESULTS AND DISCUSSION

##### PURPLE CREATIONS PRIVATE LIMITED

Operating Revenue	INR 1 cr – 100 cr
EBITDA	-9.14%
Networth	1.10%
Debt/Equity Ratio	9.63
Return on Equity	1.09%
Total Assets	8.29%
Fixed Assets	-2.21%
Current Assets	16.39%
Current Liabilities	21.92%
Trade Receivables	-11.95%
Trade Payables	47.62%
Current Ratio	2.08

##### SHAHI EXPORTS PRIVATE LIMITED

Operating Revenue	Over INR 500 cr
EBITDA	-8.77%
Networth	18.45%
Debt/Equity Ratio	0.44
Return on Equity	12.11%
Total Assets	33.18%
Fixed Assets	-5.56%
Current Assets	44.17%

Current Liabilities	78.06%
Trade Receivables	30.36%
Trade Payables	32.42%
Current Ratio	1.69

### BLISSWOOD GLOBAL IMPEX PRIVATE LIMITED

Operating Revenue	Over INR 100 cr
EBITDA	16.42%
Networth	13.89%
Debt/Equity Ratio	3.69
Return on Equity	6.54%
Total Assets	18.08%
Fixed Assets	1.19%
Current Assets	24.57%
Current Liabilities	14.59%
Trade Receivables	34.40%
Trade Payables	29.60%
Current Ratio	0.94

### ZEDEX CLOTHING PRIVATE LIMITED

Operating Revenue	INR 1 cr – 100 cr
EBITDA	1.90%
Networth	11.93%
Debt/Equity Ratio	3.14
Return on Equity	10.66%
Total Assets	37.20%

Fixed Assets	4.40%
Current Assets	53.90%
Current Liabilities	64.91%
Trade Receivables	83.98%
Trade Payables	77.20%
Current Ratio	1.40

### RMP FAB SOURCING PRIVATE LIMITED

Operating Revenue	INR 100 cr – 500 cr
EBITDA	-14.12%
Networth	10.00%
Debt/Equity Ratio	0.83
Return on Equity	9.46%
Total Assets	-22.68%
Fixed Assets	-4.55%
Current Assets	-31.34%
Current Liabilities	-38.90%
Trade Receivables	-39.08%
Trade Payables	-47.81%
Current Ratio	1.27

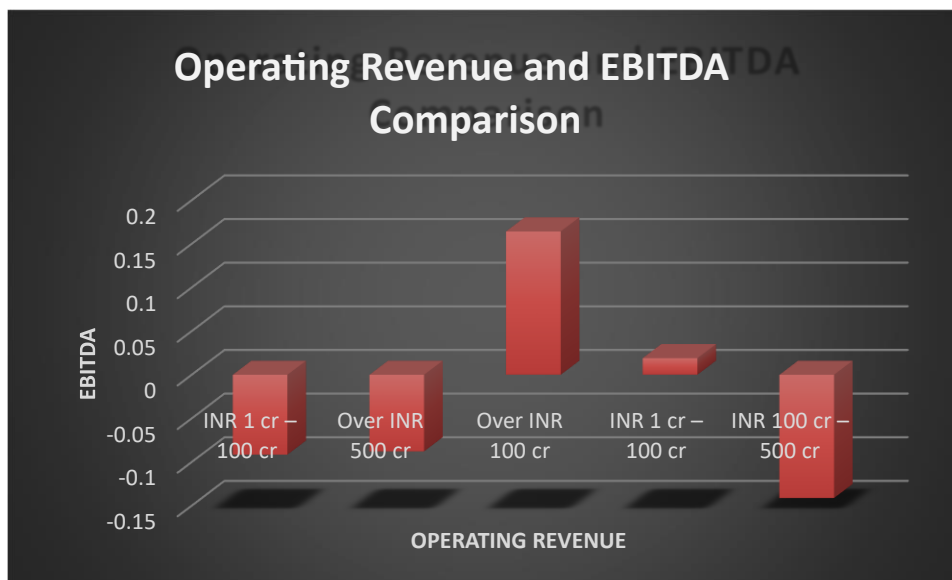
#### 4.1 OPERATING REVENUE:

Operating revenue is the total amount of money that a business makes from its main lines of activity. It stands for the revenue received from sales of products or services that are directly associated with the main business activities of the organization. Income from non-operating sources including investments, interest, and one-time gains or losses is not included in operating revenue.

To assess total profitability and operational efficiency, operating revenue is frequently examined in conjunction with other financial measures including operating expenses, gross profit, operating income, and net income. To evaluate a company's financial health, make wise investment decisions, and pinpoint areas for development or expansion plans, analysts, investors, and stakeholders must have a thorough understanding of its operating revenue trends and drivers.

#### 4.11 EBITDA:

Earnings Before Interest, Taxes, Depreciation, and Amortization, or EBITDA, is a financial indicator that's used to assess how well an organization runs its operations. With non-operating expenses subtracted, it represents the profits from the company's core operations. A company's profitability and operational effectiveness can be evaluated by investors, analysts, and lenders using EBITDA, which gives a clearer view of the company's capacity to create cash flow and pay off debt.



#### INTERPRETATION:

- Company 1(PURPLE CREATIONS PVT LTD) with operating revenue in this range experiences a negative EBITDA of -9.14%, indicating that their earnings before interest, taxes, depreciation, and amortization are lower than their operating revenue.
- Company 2(SHAHI EXPORTS PVT LTD) with operating revenue over INR 500 crore also has a negative EBITDA but is slightly better than the previous range at -8.77%.
- Company 3(BLISSWOOD GLOBAL IMPEX PRIVATE LIMITED) with substantial revenue exceeding INR 100 crore has a positive EBITDA of 16.42%, indicating healthy profitability and earnings exceeding expenses.
- Company 4(ZEDEX CLOTHING PVT LTD) in this revenue range has a positive but relatively lower EBITDA of 1.90%, indicating moderate profitability compared to larger companies.
- Company 5(RMP FAB SOURCING PVT LTD) with revenue between INR 100 crore and 500 crore experienced a significantly negative EBITDA of -14.12%, indicating challenges in managing expenses relative to revenue.

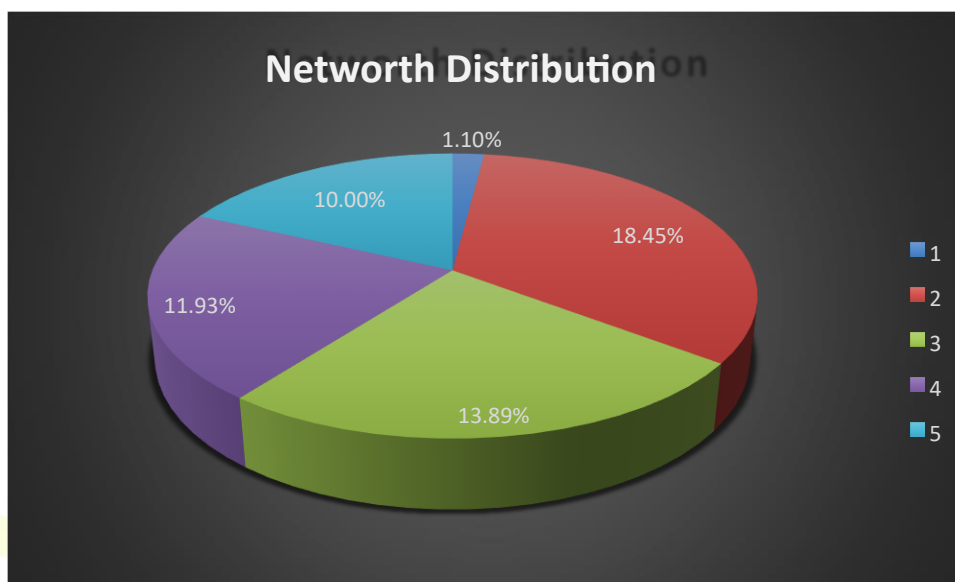
Overall, the data emphasizes how different companies in different revenue ranges have different levels of profitability—or lack thereof—highlighting the significance of effective cost control and revenue growth methods throughout the apparel industry.

#### 4.2 NETWORTH DISTRIBUTION:

In a business or financial setting, net worth distribution is the distribution of net worth across various entities or stakeholders. In the context of businesses, net worth, usually referred to as shareholder's equity, is the sum of an entity's assets less its liabilities. Assessing the financial health, ownership structure, and

equity allocation within an organization or among individuals requires an understanding of net worth distribution.

When all assets are subtracted from all obligations, the net wealth attributable to shareholders is represented by shareholder's equity in corporations. Based on each shareholder's proportion of ownership as represented by their shares or equity stakes, this equity is allocated to them. Analyzing a company's net worth distribution might reveal information about its solvency, valuation, and financial stability. It aids in evaluating the risk exposure of various stakeholders and their rights to assets of the business in the case of restructuring or liquidation.



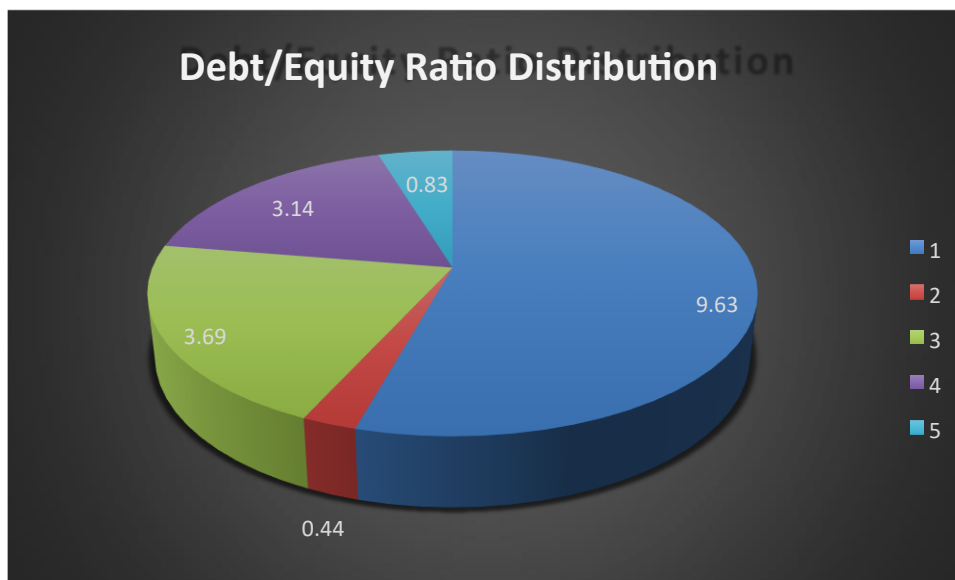
#### INTERPRETATION:

- With a net worth of 1.10%, company A (PURPLE CREATIONS PVT LTD) appears to be in a poorer financial position because its proportion of assets to liabilities is rather low.
- With a substantially higher percentage of assets than liabilities, company B (SHAHI EXPORTS PVT LTD) with a net worth of 18.45% has a solid equity base and sound financial standing.
- The intermediate range is occupied by entities with Networth percentages of 13.89%, 11.93%, and 10.00%, with variable asset-to-liability ratios.

Overall interpretation, taken as a whole, emphasizes the importance of net worth in determining the stability and health of a company's finances. A larger percentage of net worth denotes a more robust equity foundation and reduced financial risk, whereas a smaller percentage of net worth denotes possible financial difficulties and increased risk.

#### 4.3 DEBT/EQUITY RATIO DISTRIBUTION:

The distribution of debt/equity ratios shows how much debt and equity financing a business employs to finance its operations and investments. More reliance on debt, which can both increase financial risk and magnify rewards, is indicated by a greater ratio. On the other hand, a smaller ratio may limit the benefits of leverage but indicates a stronger equity position. Maintaining financial stability and maximizing capital structure in corporate operations depend on this ratio being balanced.



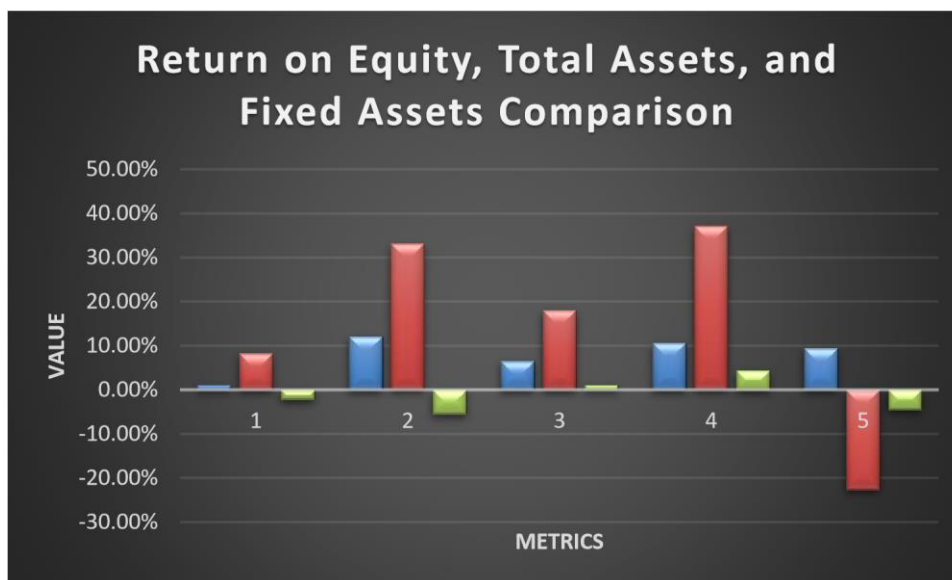
#### INTERPRETATION:

- Due to its higher leverage and higher debt-to-equity ratio (9.63), company A (PURPLE CREATIONS PVT LTD) may be more financially risky.
- Company B (SHAHI EXPORTS PVT LTD) with the Debt/Equity Ratio of 0.44 has a low debt-to-equity ratio, indicating a low-risk, conservative financial structure.
- Company C (BLISSWOOD GLOBAL IMPEX PVT LTD) with a debt-to-equity ratio of 3.69 has less debt than the preceding company, but it is still comparatively high, suggesting a moderate amount of leverage.
- Likewise, the companies D&E exhibiting Debt/Equity Ratios of 3.14 and 0.83 are classified as having moderate to low levels of debt in comparison to equity.

Overall, the interpretation highlights the varying levels of financial risk and leverage among the companies based on their Debt/Equity Ratios, with some exhibiting higher financial risk due to higher leverage, while others maintain a more conservative financial structure with lower debt levels.

#### 4.4 RETURN ON EQUITY, TOTAL ASSETS, AND FIXED ASSETS:

A company's profitability is gauged by its return on equity (ROE), which compares net income to shareholders' equity. It shows how well a business returns on the investments made by shareholders. A company's resources, comprising both current and fixed assets, are represented by its total assets. Long-term assets including property, plant, and equipment are referred to as fixed assets and are essential for the expansion and stability of an organization. Together, ROE, Total Assets, and Fixed Assets show how well a business is doing financially, how well it runs its operations, and how well it can produce returns for shareholders.



### INTERPRETATION:

- Companies with higher ROE percentages generally have stronger profitability and efficient use of equity.
- Higher Total Assets percentages indicate larger asset bases, which can be advantageous for growth and expansion.
- Changes in Fixed Assets percentages can reflect changes in long-term asset investments, such as property, plant, and equipment.

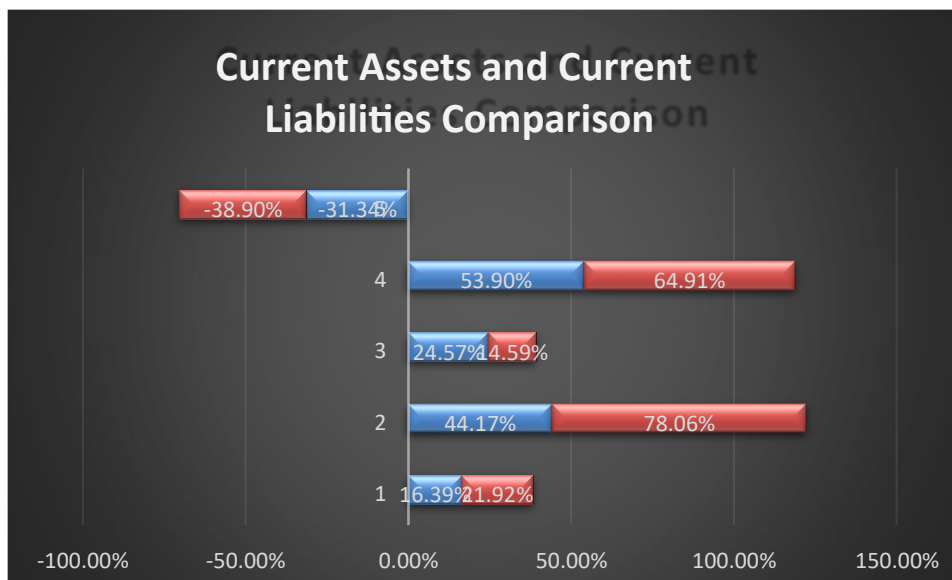
Overall, the data provides insights into financial performance, asset base, and investment in long-term assets for the entities, highlighting areas of strength or potential concerns in their financial positions.

### 4.5 CURRENT ASSETS:

Current assets, which indicate assets that are anticipated to be used up or converted into cash within a year, are essential parts of a company's balance sheet. They consist of short-term investments, cash, inventories, and accounts receivable. These assets assist daily activities including buying inventory, paying payments, and fulfilling short-term commitments. They also offer liquidity. A company's capacity to manage cash flow, short-term financial stability, and readiness to fulfill future financial obligations can all be evaluated by keeping an eye on its current assets.

#### 4.51 CURRENT LIABILITIES:

Accounts payable, accumulated costs, short-term loans, and current amounts of long-term debt are examples of current liabilities, which are debts that are due within a year. They are essential for evaluating liquidity since they show a company's immediate financial commitments. Tracking current liabilities facilitates the assessment of short-term obligation fulfillment, cash flow management, and overall financial health. In the short term, financial stability and seamless operations are guaranteed by effective management of current liabilities.



#### INTERPRETATION:

- A higher percentage of Current Assets compared to Current Liabilities is generally positive, as it indicates that the company has enough short-term assets to cover its short-term obligations.
- The entity with Current Assets at 53.90% and Current Liabilities at 64.91% has a higher proportion of short-term obligations compared to short-term assets, suggesting potential liquidity concerns.
- On the other hand, the entity with Current Assets at 16.39% and Current Liabilities at 14.59% has a healthier balance, with more short-term assets than short-term liabilities.

Overall, the data provides insights into the liquidity position of the entities, highlighting the balance or imbalance between their short-term assets and obligations.

#### 4.6 TRADE RECEIVABLES:

A company's trade receivables are sums that its clients owe it for products or services that were rendered on credit. They are a crucial component of managing a business's working capital and cash flow. Effective trade receivables management includes prompt invoicing, credit evaluation, efforts to collect, and payment conditions monitoring. It affects a business's liquidity, profitability, and general state of finances, underscoring the significance of sensible credit policies and receivables management procedures.

##### 4.61 TRADE PAYABLES:

A company's trade payables are the sums it owes suppliers and vendors for products or services that it has purchased on credit. These payables are normally settled within a given time frame, usually 30 to 90 days, and are shown as liabilities on the balance sheet. Effective trade payables management is essential for preserving positive vendor relations, maximizing cash flow, and guaranteeing on-time payments to prevent fines or supply chain interruptions.



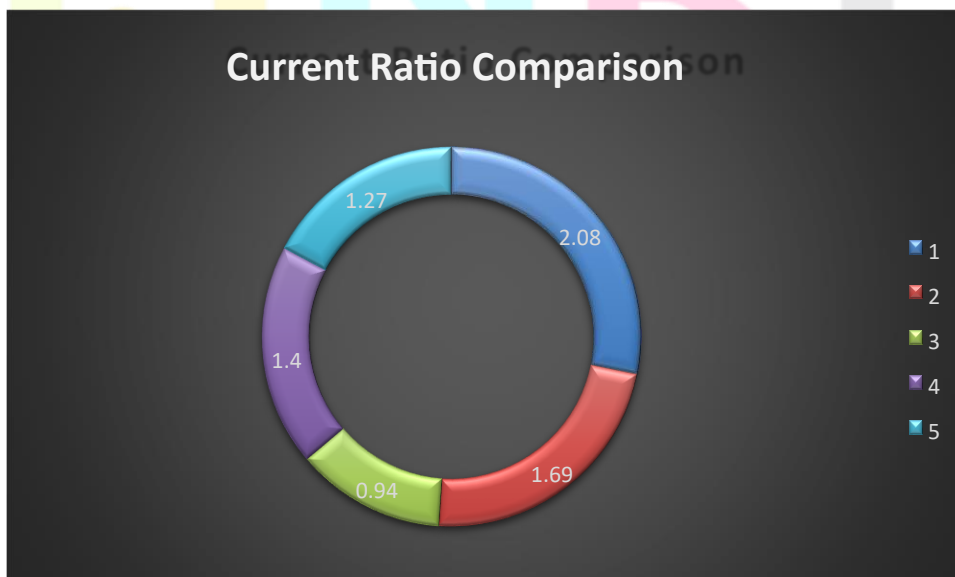
**INTERPRETATION:**

- An increase in Trade Receivables can be positive as it may indicate higher sales or business growth, but it also increases the risk of bad debts if not managed properly.
- An increase in Trade Payables can provide short-term financing benefits to the company by allowing it to delay cash outflows, but it may also indicate liquidity challenges if payables are not managed effectively.
- Negative percentages in Trade Receivables or Trade Payables may reflect changes in business operations, financial management strategies, or external factors impacting the company's credit and payment cycles.

Overall, the interpretation highlights the dynamics of Trade Receivables and Trade Payables, emphasizing their impact on working capital management, liquidity, and financial performance.

**4.7 CURRENT RATIO:**

A financial indicator called the current ratio is used to evaluate a company's short-term liquidity and capacity to pay its debts on time. Divide current assets by current liabilities to get the calculation. A greater current ratio, generally greater than 1, denotes a more robust liquidity situation, implying that the business can pay off its short-term loans and running costs with ease. On the other hand, an overly high ratio could indicate wasteful use of assets. Businesses assess their financial standing and decide how best to manage their working capital by using the current ratio.



**INTERPRETATION:**

- A Current Ratio of 2.08 suggests that company A has more than double the current assets compared to current liabilities, indicating a strong liquidity position and the ability to cover short-term obligations comfortably.
- A Current Ratio of 1.69 also indicates that company B has a healthy liquidity position, with current assets adequately covering current liabilities.
- A Current Ratio of 0.94 may suggest that company C has lower current assets relative to current liabilities, potentially indicating some liquidity risk or a need to manage short-term obligations more effectively.
- The Current Ratios of 1.4 and 1.27 also indicate that the company D&E has satisfactory liquidity, although they are slightly lower compared to the first two ratios.

Overall, the interpretation suggests that the companies with higher Current Ratios have better short-term liquidity, while those with lower Current Ratios may need to monitor their liquidity position and manage their short-term obligations carefully.

## CONCLUSION:

Conclusively, the results obtained from the examination of diverse financial metrics about distinct apparel industry firms offer crucial perspectives on their risk attributes, financial steadiness, liquidity situations, degrees of leverage, effectiveness in asset administration, and management of trade payables and receivables. Companies that have negative EBITDA find it difficult to turn a profit; to turn a profit, they need to concentrate on tactics for cost reduction and revenue optimization. If short-term obligations are not well managed, companies with lower current ratios may experience liquidity problems. Conversely, organizations with higher ratios demonstrate strong liquidity positions.

The research also emphasizes how crucial careful debt management is to reducing financial risk, as demonstrated by businesses with high debt-to-equity ratios and high levels of leverage. Though effective asset management and risk mitigation strategies are crucial for maintaining financial stability and resilience during economic downturns, strategic investments in long-term assets can promote future growth. Finally, to guarantee the best possible use of short-term assets and obligations, it is imperative to maintain a balanced current ratio.

In conclusion, the suggestions offered give companies concrete methods to boost their bottom line, reduce risks, enhance liquidity, and establish long-term viability in the cutthroat world of the apparel sector. Putting these suggestions into practice can result in better overall business performance, heightened investor confidence, and strengthened financial health.

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