An Impact Of Covid-19 in Profitability of the Co-operative Organization in Khotang District

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ABSTRACT

The purpose of the study was to analyze the profitability ratios of co-operatives organizations in Khotang District before and after Corona virus Diseases Of 2019(COVID 19) from 2018 to 2021 A.D. To analyze the effect of profit due to Pandemic, secondary data are collected based on final audit report. In this study the quantitative research approach is used.The net profit of the two organizations is compared, the five types of the profitability ratios are calculated using formulas. The net profit ratios, Return on Shareholders' Equity (ROSE),Return on Common Shareholders Equity (ROCSE), Return on Assets (ROA) and Return on Common Equi (ROCE) are found increased of (Subha Labha Bachat Tatha Rin Sahakari Sanstha) SLBRS whereas then other cooperative Sidda Laxmi Bachat Tatha Rin Sahakari Sanstha (SBRS) are found decreased. The ROCE of SBRS are found decreasing and decreasing then it became negative. The analysis shows that there are not any effect of Pandemicin profitability for SLBRSbut another organization SBRS has adverse effect.

Keywords: Co-operative organization, COVID-19, Profitability Ratio, Net profit

1. Introduction

The COVID-19 pandemic caused a significant global economic shock, triggering the deepest global economic recession in nearly century, Organization for Economic Co-Operation and Development (OECD 2020). Most of the countries of the world were locked to save the people from pandemic. Nepal is also starting to suffer the most abrupt and widespread cessation of economic activity due to outbreak of this virus. As disease will hit almost every sector of the Nepali economy, shaving up to 0.13 per cent off the gross domestic product and rendering up to 15,880 people jobless Asian Development Bank (ADB 2020). The impact has already started to surface in number of sectors like tourism, trade and production linkages, supply and health. Especially the entire service industries: tourism, aviation and hospitality sector have been hit hardly by the outbreak. With the launch of visit Nepal 2020 campaign in January, the country was in hope to attract two million visitors, but due the corona pandemic the campaign got cancelled which has shattered the hospitality and tourism related business sector. The outbreak has affected people's lives as well as private and public sectors. Increase rate of the virus has impacted remittance inflow banking and financial organizations, Co-operative organizations, government revenue.

Cooperatives are formed as a vehicle of economic development, as members or small producers combine to capture economies of size, and therefore have bargaining power (Lerman & Parliament, 1991).Here my research area is saving and cooperative organization of khotang district. Most of the financial institutions were closed at the time of lockdown. Banks and financial institutions could not collect deposit from the customers and invest their fund. Although partially eight months period in whole year were opened the institutions (Website of

DRM Municipality-rupakotmajhuwagadhimun.gov.np). In this study I have tried to analysis the profit effect of the Cooperative organizations of Diktel Rupakot Majhuwagadhi Municipality Ward reorganize the line No.1.

Likewise other sector of the business organizations has beenadversely affected by the lockdown. Cooperative organizations could not collect daily basis from the customer and could not invest the loan. The customer could not pay their installment in time. There was the scarcity of cash for loan issue. It was difficult to pay the salary of employees in the organizations. So I like to tried to analyze what was happened in this critical situation in the profitability of the organizations. In this Ward nine co-operative organizations were established. They are:

1.Subha Labhabachat Tatha Rin Sahakari Sanstha (SLBT)

2. Diktel Bachat Tatha Rin Sahakari Santha,

3. Sakriya Bachat Thatha Rin Sahakari Sanstha,

4. Sidda Laxmi Bachat Tatha Rin Sahakari Sanstha (SLBRS)

5. Paragon Bachat Tatha Rin Sahakari Sanatha,

6.Lalupate Bachat Tatha Rin Sanstha,

7. Laligurans Sahakari Sastha

8.Sikkshak Bachat Tatha Rin Sahakari Sanstha.

9. Merung Krishi Tatha Rin Sahakari Sanstha

Out of nine co-operative organizations I tried to analyze the profitability of Subha Labh Bachat Tatha Rin Sahakari and Sidda Laxmi Bachat Tatha Rin Sahakari Sanstha. The SLBT was established five years ago (2017 A.D.) Whereas the SLBRS eight years ago in 2014 A.D. SLBRS head office is located nearby district police office and SLBT is in nearby Nepal Bank Limited Branch office Khotang.

The main purpose of my study is to analyze the effect of profitability before COVID-19 to 2022 A.D. I have chosen randomly any two cooperative for myanalysis. The audit report of fiscal year 2018, 2019, 2020 and 2021 are the basis of my analysis.

1.1 Objectives of the study

The COVID 19 has adverse effect in the profit of the Co-Operative organizations in khotang Diktel. Most of the organizations were closed in the period of lockdown. They could not collect the funds and invest to customer. The remittance services were also closed and the commission income from remittance also decreased. So my study is concentrated that the effect in profitability due to COVID of the saving and CO-Operative Organizations.

The following objectives will be the objectives of the study:

- To analyze the comparative net profit before and after COVID 19.
- To Analyze the profitability ratio of the before and after COVID
- To examine the comparative profitability ratio of two cooperatives

1.2 Limitation Of The Study

Although there are nine registered Saving and cooperative organization in Diktel Rupakot Majhuwagadhi Municipality Ward No 1 khotangdistrict, I have tried to analysis the profitability condition due to COVID-19 of only two organizations randomly. They are Subha Labha Bachat Tatha Rin Sahakari Sanstha and Siddhalaxmi Bachat Tahta Rin Sahakari Sanstha. Also I have tried to analysis the different ratios of profitability for the fiscal year 2018, 2019, 2020 and 2021.

2. Literature Review

Cooperatives are business institutions that have a comparative advantage, which lies in their members, who are the main assets and whose existence is highly valuable to the cooperatives. This is because cooperatives are established by, from, and for their members so that each cooperative is owned by all the members of that cooperative. For this reason, cooperatives need to retain their members by paying attention to the services they provide to them, based on the concept of maintaining good relationships between the cooperatives and their members. Cooperative members must receive rights to services, to ensure member satisfaction in their business activities and to meet the various needs of the members. Such services must always be improved so that members voluntarily want to actively participate in their cooperative. Member satisfaction is a top priority in accordance with the basic principles of cooperatives, namely from and for members. Cooperatives as business entities are measured by their ability to develop and dominate the market and provide rational alternatives to the needs of members through various incentives and services. Therefore, the quality of service in cooperatives is always seen from the perspective of members because it is the members who determine the value of service quality (Tanjung, 2017; 133-134). The modernization of cooperatives is guided by the times in the era of economic disruption, digital economics, and economic sharing. The business world has entered industrial revolution 4.0, so cooperatives must be independent and have the ability to compete with other business actors. For this reason, cooperatives must make changes by carrying out digital transformations to enable them to increase their competitiveness with other financial institutions (Alhusain, 2017: 58). The satisfaction of the members will foster their loyalty to the cooperative and can encourage them to actively promote it. By providing optimal services, cooperatives are expected to help improve the economic welfare of their members. Given the importance of service in cooperatives, every effort made by the cooperatives must have a comparative advantage dimension by taking into account the technological-organizational and environmental aspects.The modernization of cooperatives is guided by the

In the mid-19th century, Raiffeisen and Schulze Delitzsch founded cooperatives self-help in stitutions of farmers and business people. The first Raiffeisen banks and Volksbanks were established. Municipal saving banks (Sparkassen) also emergedat the same time. The locally anchored saving banksand cooperative banks, which were normally verysmall in size, accepted saving to be deposited andgranted microcredit-in other words, they were the firstmicrofinance institutions in the world. And they are still active in this field today, 200 years later. Theyactively promote the generation of saving by thepublic at large finance three-quarters of all

small andmedium-sized business and more than 80% of all startupbusiness in Germany. Cooperative self-helpinstitutions were originally founded because of theneed to optimize the economic position of theindividual member by joint business activities basedon solidarity in line with the economic principles ofself-help individual responsibility and self-governanceas a result of better access to financialservice and markets while maintaining the member ‘sown capability to operate and compete in the markets. The existence of functioning cooperative societies leaves a positive mark on the economic and social structure of a country since cooperatives develop based on local initiative and local economic strength; a decentralized cooperative system can operate close to markets and target groups. In the context of globalization, cooperatives are particularly well equipped to combine the advantage of local activities with regional and national networking within the system, provided they adapt their structure and operations accordingly, thus contributing considerably not just to strengthening their members but the local/regional economic structure in which they are operating (Paul Armbruster, 2004).In Africa it has been defined as the operations of saving and credit associations, Rotating Saving and Credit Associations (ROSCAs), professional money lenders, and part-time money lenders like traders, grain millers smallholders farmers, employers, relatives, and friends as well as cooperative societies. Rotating saving and credit associations (ROSCAs) are also an important source of credit inmost African countries.
Although microfinance programs, especially among the rural poor people living below the standard poverty line of one US dollar per day have elicited different reactions from different stakeholders, there seem to be general agreements that the program is useful amongst the strategies for ensuring improved household income and credit of rural Malawians, hence reduced poverty in long run.

Eichenbaumetal (2020) model the interactions between economic decisions and the spread of the virus. They find that, without any mitigation measures, aggregate consumption falls by 9.3% over a 32-week period. On the other hand, labor supply or hours worked follow a U-shaped pattern, with a peak decline of 8.25% in the 32nd week from the start of the pandemic. These reductions decrease peak infection rates and death tolls from 7% and 0.30% to 5% and 0.26% respectively, but worsen the magnitude of the recession. Infected people fail to internalize the impact of their choices on the spread of the virus. Therefore, the optimal containment policy increases the severity of the recession but saves lives.Mulligan (2020) assesses the opportunity cost of “shutdowns” in order to document the macroeconomic impact of COVID-19. Within the National Accounting Framework for the United States, the author extrapolates the welfare loss stemming from “nonworking days,” the fall in the labor-capital ratio resulting from the absence/layoff of workers, and the resulting idle capacity of workplaces. After accounting for dead-weight losses stemming from fiscal stimulus, the replacement of normal import and export flows with black market activities, and the effect on nonmarket activities (lost productivity, missed schooling for children and young adults), the author finds the welfare loss to be approximately $7 trillion per year of shutdown. Medical innovations, such as vaccine development, contact tracing, and workplace risk mitigation can help to offset the welfare loss by around $2 trillion per year of shutdown.

Bharadwaj (2012) argued that a well managed cooperative played significant role tocombat poverty alleviation, especially in a remote areaby changing the community image by ensuringsustainable reduction of poverty.

Furthermore, Dhakal & Nepal (2016) found that 87.5% of microfinance werenot ready to provide loans for the household level.

Similarly, Tiwari & Nepal (2017) argued that Cooperative had played an influential role to improve the socio-economic growth of poor, vulnerable, lowercase people, women, laborers, and farmers by conducting income-generating various programs. Hefurther emphasized a strong policy of being apolitical and unbiased with no description of any kind based on religion and gender.

However, MoF (2015/16) shows that the economic growth of the country (atthe basic price) was estimated to remain at 0.77 percent in FY 2015/16. GDP recorded a growth of 2.32 percent growth rate in the previous fiscal year. The economic growth rate in FY 2001/02 had recorded 0.16 percent, which again went below 1 percent in the current fiscal year for the second time. The economic growth rate shrank owing to the negative production rate of mines and quarrying, industry, electricity, gas and water, construction, wholesale and retail trade, hotel and restaurant sector, and the low growth in the agriculture sector that occupies one-third proportion of GDP.

Shrestha (2014) in his article revaluatedthat, problems seen in the cooperatives were due to the cooperative Act, 1992. The problem is aggravating as the act has not been amended as per the changed context. A high-level commission formed last year by the government had found 130 saving and credit cooperativeswere troubled. They had total liabilities amounting to Rs. 10 billion – Rs 7.6 billion deposits and Rs. 2.4 billion in interest amount. Thoughcooperatives have been doing remarkable works towards alleviating poverty contributing tothe national economy, the wrongdoing of some cooperatives is tarnishing the image of the entire cooperative sector.

K.C. (2003) tried to analyze the present financial position and the prospect of financial cooperatives. She also analyzed the investment and lending practices of the financial cooperative in Nepal. He based the financial and statistical tools are for the analysis of data under financial tools, liquidity ratio, assets management ratio, debt management ratio, profitability ratio is used. Statistical tools mean coefficient of variation and least square which are used in her thesis for analyzing the data. Her findings current ratio, loan, and total deposit ratio, the return of total assets, return on the total deposit, total interest paid to total deposit ratio of selected financial cooperatives of Nepal are unsatisfactory. The financial cooperatives are going to face the problem of further disbursement of credit in comparison to investment in the agriculture sector.

To analyze the profitability of the cooperatives the following ratios are used in this study. They are:

Profitability Ratio

1. Gross profit ratio
2. Net profit Ratio
3. Return on shareholder's Equity
4. Return on common shareholders fund
5. Return on Assets
6. Return on capital Employed

   The formulas of calculation of the profitability ratios and its analysis are given below in table.

Table-1

S.N.	Profitability Ratios	Formulas	Analysis of Ratio
1.	Gross Profit Ratio	$\frac{Gross\ Profit}{Sales} \times 100$	This ratio establish the relation between gross profit and sales. It indicates that efficiency on minimizing the cost of goods sold or manufacturing cost and maximizing the profit.
2.	Net Profit Ratio	$\frac{Net\ Profit}{Sales} \times 100$	This ratio establish the relation between net profit and sales. It shows the operating efficiency of the firm.
3.	Return on Shareholders' Equity	$\frac{Net\ Profit\ Aftert\ Tax}{Shareholders\ Equity} \times 100$	This ratio shows the relationship between the net profit after tax and shareholders fund. It shows the relation between the net profit after tax and share holders fund.
4.	Return On Common Shareholders Fund	$\frac{NPAT - Preference\ Dividend}{Common\ Shareholders\ Equity}$	This is the ratio of net profit to common shareholder's equity. It shows the measuring the earning or return of each equity share.
5.	Return On Assets	$\frac{NPAT + Interest}{Total\ Assets} \times 100$	This ratio establish the relationship between net profit and total assets. It shows the return on investment of total assets.
6.	Return On Capital Employed	$\frac{Net\ Profit\ After\ Tax}{Capital\ Employed} \times 100$	A relation between net profit and capital employed and it shows whether the amount of capital employed has been properly used or not.

3. Material and Method

This study describes the step to carry outthe research work. A systematic research study needsto follow a proper methodology to achieve thepredetermined objectives.The study is designed to examine the impact in profitability due to COVID-19. For this purpose two cooperative organizations are chosen randomly. The secondary data are collected based on final audit report.It has been used quantitative research technique. The different ratios of profitability are used for comparative analysis of two CO-operative organizations.

4. Discussion and Result

For the analysis of the profitability ratio the secondary data are collected of two co-operative organizations. They are SUBHA LABH BACHAT TATHA RIN SAHAKARI SANSTHA (SLBRS) and SIDDHALAXMI BACHAT TATHA RIN SAHAKARI SANSTHA (SBRS). The Data are drawn from the final audit report of the fiscal year 2018, 2019, 2020 and 2021 A.D. The necessary information for the calculation of the ratios are presented given below.

Table-2

Net Profit

Fiscal Year	Net Profit			
Co-Operative	2018	2019	2020	2021
SLBRS	(12,42,332.65)	(8,19,256.20)	(4,74,649.16)	75,672.76
SBRS	2,44,860.24	1,57,700.17	(15,88,097.22)	(1,62,330.95)

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The net profit and Net loss of the two co-operative organizations are found decreased after COVID period. The net profit in the year 2019, 2020, 2021 of SBRS are reduced by 35.59%, 1107.03%, and 897.78%. Similarly the net profit of SLBRS 34.05%, 42.06%, 115.94% increase in the year 2018, 2019, 2020 and 2021 A.D. The net profit of SBRS is decreased in high percentage.

Table-3

Total Revenue Income

Fiscal Year Co-Operative	Total Revenue Income			
	2018	2019	2020	2021
SLBRS	1,72,152.69	8,32,520.11	12,24,433.57	21,58,304.87
SBRS	30,15,233.01	33,22,460.85	38,40,055.08	24,92,596.40

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The total revenue income of the SLBRS is in increasing trend and there is no any effect of COVID and lockdown. But the revenue of SLBRS is found increasing trend in the year 2018, 2019, 2020 but it is reduced by 35.09% in 2021 A.D.

Table-4

Shareholders' Equity

Fiscal Year Co-Operative	Shareholders' Equity			
	2018	2019	2020	2021
SLBRS	5,46,603.32	6,96,532.13	7,74,231,52	12,83,431.65
SBRS	72,56,060.47	76,33,120.31	60,59,023.95	58,35,463.15

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The shareholders equity are found in increasing trend in respected four year of SLBRS. But the shareholders equity are found in decreasing trend. The shareholders equity of SLBRS is decreased by20.62%, 3.69% in the year 2020 and 2021 A.D.

Table-5

Common Shareholders' Equity

Fiscal Year Co-Operative	Common Shareholders' Equity			
	2018	2019	2020	2021
SLBRS	13,12,500	14,47,600	18,97,700	21,18,500
SBRS	71,22,320.21	76,33,120.31	69,67,400	70,34,300

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The common shareholders equity are found in increasing trend in respected four year of SLBRS. But the SBRS is increased by 7.17%, decreased by 8.72%, increased by 0.96% in the respected year 2019, 2020 and 2021.

Table-6

Total Assets

Fiscal Year Co-Operative	Total Assets			
	2018	2019	2020	2021
SLBRS	98,52,504.32	1,11,69,477.89	2,49,73,506.29	4,20,42,854.09
SBRS	4,84,86,934.46	5,57,22,856.28	5,56,67,672.15	6,38,81,142.30

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The total assets of SLBRS is increased by 13.36%, 123.58%, and 68.35% in the year 2019, 2020 and 2021. Similarly the total assets of SBRS is increased by 14.92%, 0.099 %(decreased), 14.75% in the year 2019, 2020 and 2021.

Table-7
Capital Employed

Fiscal Year	Capital Employed			
Co-Operative	2018	2019	2020	2021
SLBRS	13,12,500	14,47,600	18,97,700	21,18,500
SBRS	68,21,200	69,53,400	69,67,400	70,34,300

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The capital employed of the both co-operative organizations is found in increasing trend. The capitals employed are found in increasing trend in respected four year of SLBRS. The capital employed of SBRS is increased by 1.94%, 0.20%, and 0.96% in the year 2019, 2020 and 2021 A.D.

Table-8
Interest Expenses

Fiscal Year	Interest Expenses			
Co-Operative	2018	2019	2020	2021
SLBRS	1,93,590.94	14,15,523.32	19,55,585	38,16,318.29
SBRS	34,22,877.03	41,17,957.77	41,65,267.92	42,83,584.5

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The interest expenses are increasing trend of both organizations. The interest of SLBRS is increased by 631.19%, 38.15%, 95.15% and similarly the SBRS is increased by 20.31%, 1.14%, and 2.84% in the year 2019, 2020 and 2021 A.D.

Calculation and Analysis of the Profitability Ratios:
Table-9
Net Profit Ratio

Fiscal Year Co-Operative	Net Profit Ratio= $\frac{Net\ Profit}{Sales} \times 100$			
	2018	2019	2020	2021
SLBRS	(721.65%)	(98.40%)	(38.76%)	3.50%
SBRS	8.12%	4.74%	(41.35%)	(6.51%)

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The net profit ratios of SLBRS is increasing every year and is positive in year 2021 A.D. The net profit ratio of SBRS is in decreasing trend and it is decreased by 46.09% in 2020.The average net profit for four year period of SLBRS is (213.82%) whereas of SBRS is (8.75%). It is clear that the net profit ratio before and after COVID is decreased.

Table-10Reorrange the heading of all table
Return on Shareholders' Equity (ROE)

Fiscal Year Co-Operative	Return On Shareholders' Equity= $\frac{Net\ Profit\ Aftert\ Tax}{Shareholders\ Equity} \times 100$			
	2018	2019	2020	2021
SLBRS	(227.28%)	(117.61%)	(61.31%)	5.90%
SBRS	3.37%	2.07%	(26.21%)	(2.78%)

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The return on shareholders' equity of SLBRS is (227.28%), (117.61%), (61.31%) and 5.9% whereas of SBRS is 3.37%, 2.07 %, (26.21%) and (2.78%) in the year 2018, 2019, 2020 and 2021. The ROE ratios of SLBRS are in increasing trend and the SBRS is in decreasing.

Table-11
Return OnCommon Shareholders' Fund (ROCSF)

Fiscal Year Co-Operative	Return On Common Shareholders' Fund= $\frac{NPAT - Preference\ Dividend}{Common\ Shareholders\ Equity}$			
	2018	2019	2020	2021
SLBRS	(94.65%)	(56.59%)	(25.01%)	3.57%
SBRS	3.44%	2.01%%	(22.79%)	(2.30%)

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The Return On Common Shareholder Fund of SLBRS are (94.65%), (56.59)%,(25.01%) ,3.57% whereas of SBRS is found 3.44%,2.01% ,(22.79%) and (2.30%) in the year 2018,2019,2020 and 2021 A.D. The SBRS return on Common Shareholders Equity isfound in decreasing trend.

Table-12
Return OnAssets (ROA) rearrange the table format

Fiscal Year Co-Operative	Return On Assets= $\frac{NPAT + Interest}{Total\ Assets} \times 100$			
	2018	2019	2020	2021
SLBRS	10.64%	5.33%	5.93%	9.26%
SBRS	7.56%	7.67%	4.63%	6.45%

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The ROA of SLBRS are 10.64%, 5.33%, 5.93% and 9.26% whereas of SBRS are 7.56%, 7.67%, 4.63% and 6.45%. The average increment of SLBRS and SBRS are 7.79 %, 6.58% of four year. The ROA of SLBRS are found in increasing trend. But the ROA of SBRS is increase and decrease trend.

Table-13
Return On Capital Employed (ROCE)

Fiscal Year Co-Operative	Return On Capital Employed= $\frac{Net\ Profit\ After\ Tax}{Capital\ Employed} \times 100$			
	2018	2019	2020	2021
SLBRS	(94.65%)	(56.59%)	(25.01%)	3.57%
SBRS	3.59%	0.28%	(22.79%)	(2.31%)

Source: Final Audit Report 2018, 2019, 2020 and 2021 A.D.

The ROCE of SLBRS are (94.65%), (56.59%), (25.01%) and 3.57% whereas of SBRS are 3.59%, 0.28%, (22.79%) and (2.31%) in the year respectively 2018, 2019, 2020 and 2021 A.D.The ROCE of SLBRS are found in increasing trend but SBRS are found in decreased in COVD period.

4. Conclusion

The study of two cooperative related to the profitability ratios is conducted based on the final audit report for four years 2018 to 2021 A.D. The calculations of net profit ratio, Return on Shareholders' Equity, Return on common Shareholder Equity, Return on Assets and Return on Capital employed are calculated by using the formulas. The Profitability ratios of SLBRS are found in increasing trend. There was not any effect found due to COVID Pandemic for SLBRS. The profit is found increasing in every year. There was not any effect of lockdown in the case of SLRBS. But another organization SBRS is found there is serious effect. The net profit ratio is found decreased by 41.35%, 6.51% in the year of 2020 and 2021 A.D. The return on shareholders' equity of SLBRS is found in increasing trend as (227.28%), (117.61%), (61.31%) and 5.90% whereas the ROSE of SBRS are 3.37%, 2.07%, (26.21%) and (2.78%) for the corresponding year ending 2021 A.D. The ROSE shows that there is great effect to the organization SBRS. The ROSE is decreased by negatively but the organization is found in improving trend. The ROCSE of SLBRS is found in increasing trend but another organization SBRS is found negative. The SBRS has great loss due to COVID. The ROA of SLBRS is increasing by 5.33%, 5.93% and 9.26% before and after COVID. The another company SBRS ROA is found decreased in 2020 A.D from 7.67% to 4.63%. The Return On Capital Employed (ROCE) of SLBRS are (94.65%),(56.59%),(25.01%) and 3.57% . It is in increasing trend. But the ROCE of SBRS are found 3.59%, 0.28 %,(22.79%) and (2.31%). The ROCE of SBRS are found decreasing and decreasing then it became negative. It shows that there is adverse effect of pandemic.

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Appendix:

Calculation and Analysis Of the Profitability Ratios:

Table-8

Net Profit Ratio

Fiscal Year Co-Operative	Net Profit Ratio= $\frac{Net\ Profit}{Sales} \times 100$			
	2018	2019	2020	2021
SLBRS	$\frac{(12,42,332.65)}{1,72,152.69} X100 =$ (721.65%)	$\frac{(8,19,256.20)}{8,32,520.11}$X100= (98.40%)	$\frac{(4,74,649.16)}{12,24,433.57} X100 = (38.76\%)$	$\frac{75,672.76}{21,58,304.87} X100 = 3.50\%$
SBRS	$\frac{2,44,860.24}{30,15,233.01} X100 =$ 8.12%	$\frac{1,57,700.17}{33,22,460.85} X100 = 4.74\%$	$\frac{(15,88,097.22)}{38,40,055.08} X100 =$ (41.35%)	$\frac{(1,62,330.95)}{24,92,596.40} X100 = (6.51\%)$

Table-9

Return on Shareholders' Equity

Fiscal Year Co-Operative	Return On Shareholders' Equity= $\frac{Net\ Profit\ Aftert\ Tax}{Shareholders\ Equity} \times 100$			
	2018	2019	2020	2021
SLBRS	$\frac{(12,42,332.65)}{5,46,603.32} X100 = (227.28\%)$	$\frac{(8,19,256.20)}{6,96,532.13}$X100 =(117.61%)	$\frac{(4,74,649.16)}{7,74,231.52} X100 = (61.31\%)$	$\frac{75,672.76}{12,83,431.65} X100 = 5.90\%$
SBRS	$\frac{2,44,860.24}{72,56,060.47} X100 = 3.37\%$	$\frac{1,57,700.17}{76,33,120.31} X100 = 2.07\%$	$\frac{(15,88,097.22)}{60,59,023.95} X100 = (26.21\%)$	$\frac{(1,62,330.95}{58,35,463.15} X100 = (2.78\%)$

Table-10

Return On Common Shareholders' Fund

Fiscal Year Co-Operative	Return On Common Shareholders' Fund= $\frac{NPAT - Preference\ Dividend}{Common\ Shareholders\ Equity}$			
	2018	2019	2020	2021
SLBRS	$\frac{(12,42,332.65)}{13,12,500} X100 = (94.65\%)$	$\frac{(8,19,256.20)}{14,47,600} X100 = (56.59\%)$	$\frac{(4,74,649.16)}{18,97,700} X100 = (25.01\%)$	$\frac{75,672.76}{21,18,500} X100 = 3.57\%$
SBRS	$\frac{2,44,860.24}{71,22,320.21} X100 = 3.44\%$	$\frac{1,57,700.17}{76,33,120.31} X100 = 2.01\%$	$\frac{(15,88,097.22)}{69,67,400} X100 = (22.79\%)$	$\frac{(1,62,330.95)}{70,34,300}$X1 00=(2.30%)

Table-11
Return On Assets

Fiscal Year Co-Operative	Return On Assets= $\frac{NPAT + Interest}{Total\ Assets} \times 100$ 2018	2019	2020	2021
SLBRS	$\frac{(12,42,332.65) + 1,9}{98,52,504.32}$ $= 10.64\%$	$\frac{(8,19,256.20) + 14}{1,11,69,477}$ $= 5.33\%$	$\frac{(4,74,649.16) + 19,55,58}{2,49,73,506.29}$ $= 5.93\%$	$\frac{75,672.76 + 38,16,318.29}{4,20,42,854.09} X100$ $= 9.26\%$
SBRS	$\frac{2,44,860.24 + 34,22,}{4,84,86,934.46}$ $= 7.56\%$	$\frac{1,57,700.17 + 41,1}{5,57,22,856.}$ $= 7.67\%$	$\frac{(15,88,097.22) + 41,65,2}{5,56,67,672.15}$ $= 4.63\%$	$\frac{(1,62,330.95) + 42,83,584.5}{6,38,81,142.30} X100$ $= 6.45\%$

Table-12
Return on Capital Employed

Fiscal Year Co-Operative	Return On Capital Employed= $\frac{Net\ Profit\ After\ Tax}{Capital\ Employed} \times 100$ 2018	2019	2020	2021
SLBRS	$\frac{(12,42,332.65)}{13,12,500} X100$ $= (94.65\%)$	$\frac{(8,19,256.20)}{14,47,600} X100$ $= (56.59\%)$	$\frac{(4,74,649.16)}{18,97,700} X100$ $= (25.01\%)$	$\frac{75,672.76}{21,18,500} X100$ $= 3.57\%$
SBRS	$\frac{2,44,860.24}{68,21,200} X100$ $= 3.59\%$	$\frac{1,57,700.17}{5,57,22,856.28} X100$ $= 0.28\%$	$\frac{(15,88,097.22)}{69,67,400} X100$ $= (22.79\%)$	$\frac{(1,62,330.95)}{70,34,300} X100$ $= (2.31\%)$