Think India Journal
ISSN: 0971-1260Vol-22, Special Issue-21
National Conference on
Recent Advances in Commerce, Management and Computer Science (NRCACMC-2020) sponsored by
Department of Commerce, VEL TECH RangaSanku Arts College,
Avadi, Chennai-62
Held on 4th January 2020

Impact of Declaration of Npa Divergence on The Share Prices of Banks In Bank Nifty

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Abstract

Non-Performing Assets have been the reason for major crisis around the world, for instance, the Greek economic crisis in 2015. One of the main reasons why countries like Greece, Italy, Portugal, Ireland, Russia and India have fallen in the trap of NPAs is because of the country's policy to infuse capital in the economy without being backed by reforms which promote savings and ensure that lenders don't suffer.

A non-performing asset is a loan provided by financial institutions that is in default or in arrears on scheduled payments of principal or interest. Such debt is classified as non-performing when loan payments have not been made for a period of 90 or more days. On April 18, 2017, RBI issued a circular requiring bank to disclose the divergence in NPA in the 'Notes to Accounts' to the financial statements. According to RBI rules, if the divergence between its assessment of bad debt and a banks declared bad debt is more than 15 per cent, the bank will have to report the divergence in its next quarterly report. The objective of this research is study the impact of this RBI circular and the release of such financial reports (quarterly and annual) on the share prices of 6 banks, namely: The Bank of Baroda, Punjab National Bank, Axis Bank, Yes Bank, Kotak Mahindra Bank and special reference to the State Bank of India. This paper also aims to

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understand the twitter sentiment about the issue of non-performing assets in India. The Single Index Market model will be used for the purpose of this study.

1. INTRODUCTION:

Non-Performing Assets are those accounts held with banks, which have been in default of interest and principal payment for a period of more than 90 days (Reserve Bank of India, 2015). Easy availability of credit, inefficient management of projects in which the borrowed money has been invested, lack of administration on the part of bankers, flexibility of accounts and the market and the economic scenario are few of the many reasons as to why the problem of NPAs has been a major issue for banks all over the world, especially in countries such as Greece, Italy, Russia, India, etc. NPAs prove to be a bane for all 3 parties- the lender, the borrower and the banker.

Banks have always been hesitant to declare accounts as NPA, because of the impact it has on their balance sheet. Since the subprime crisis in 2008, the level of NPAs has been on the rise. On April 18, 2017; the Reserve Bank of India issued a circular requiring the banks to disclose in the Notes to Accounts of the following annual financial statements, the divergence in NPAs if: i) the additional provisioning requirements assessed by RBI exceed 15% of the published Net Profit after tax; ii) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs, or both. (Reserve Bank of India, 2017)

Thus, banks were required to declare the revised NPA levels in their Annual reports, for the year ending 31/03/2018. In this paper, we will study the impact of the RBI circular and the ensuing annual reports on the stock prices of 6 banks, namely Punjab National Bank, Bank of Baroda, State Bank of India, Axis bank, Yes Bank and Kotak Mahindra Bank.

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2. LITERATURE REVIEW:

Several researchers have conducted their study in the field of Non-Performing assets in India, and have tried to understand their impact on the economy, factors influencing NPAs, the trend of NPAs in banks, etc. A review of such literature has been described to facilitate this research.

Singh (2016) concludes that the NPA level is comparatively very high in Public Sector banks. The Government needs to make more provisions for settlement of pending cases and it is suggested that the lending to priority sectors should be reduced.

Ahamed (2017) found that from 1998-2014, an increase in non-interest income activities leads to increasing profitability of the Indian banks. Also, it has found that private foreign banks earn more risk adjusted profits compared to public sector and private domestic banks.

Balgova, Nies, & Plekhanov (2016) use a global sample of 100 countries and collect the required data from 1997-2014 and find that a reduction in Non-Performing-loan, there is a positive effect on economies in terms of GDP growth, investment growth and reduction in unemployment rate. High levels of NPA have an opportunity cost of economy growth.

A, Bhattacharyya, & Ray (2016) find that RBI's monetary policy announcements have no significant impact on stock prices.

Barua, Roy, & Raychaudhuri (2016), through their study imply that PSU banks will require huge additional capital to comply with the basel (iii) nomrs which are to be implemented in March 2019. Government support, equity market and internal generation will be imperative for raising the capital. **Alam (2016)** studies the factors affecting the Indian Stock market and find that Flow of Foreign Institutional Investors, Political Stability, Growth of Gross Domestic Product, Inflation, Liquidity and different interest rate and Global level factors affect the stock market in India.

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Naik & Padhi (2015) find that sentiment indices influence market excess returns. Positive sentiment index has a positive impact on the market and the negative sentiment index has a negative impact; and a bidirectional causality exists between excess return and investor sentiment (3rd lag).

Rao & Patel (2015) study the NPA management in public sector, private sector and foreign banks and find that private sector banks are in a better situation than foreign banks and public-sector banks and this can be proved by the decreasing ratio of gross NPA to Gross advances in private sector banks.

Dhar & Bakshi (2015) study the factors affecting NPAs in Indian Banks and concluded that "banks should give adequate attention to variables such as advances to the sensitive sector, net interest margin and capital adequacy ratios to control the problems of loan losses". It was also found that priority sector advances did not have an effect on NPAs in Indian banks.

Sinha & Sharma (2015) study the determinants of persistency of bank profits in Indian banks and find that "Bank-specific variables, capital to assets ratio, operating efficiency, deposit growth and ratio of non-interest income to total assets, are significantly positively related to bankprofits."

Ramanadh & Rajesham (2013) conclude that there is a positive relationship between credit expansion and economic growth; and credit expansion and changes in asset quality across banking segments differ significantly.

Srivastava & Gupta(2013), in his paper mentions that after the 2008 crisis, borrowing and lending rates of foreign banks in India reduced. The increasing number of NPAs with public sector banks deters the financial health, profitability and liquidity, and economies of scale in operation.

Rathore, Malpani, & Sharma (2013) find that there is apositive relation between Total Advances, Net Profits and NPA of bank because of mismanagement in banks. The slow recovery

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of the global and the domestic economy and the uncertainty attached with it leads to lower exports of various products (Textiles, leather, etc) and hence, it leads to a rise in NPA.

Sehgal, Sood, & Rajput (2009) survey the factors affecting investor sentiment and conclude that "the key economic factors that impact investor sentiment are real GDP, corporate profits, rate of inflation, level of interest rates and liquidity in the economy, while the market based factors are put call ratio, advance decline ratio, earning surprises, P/E ratio and price to book value."

Roy (2014) studies that GDP growth, change in exchange rate and global volatility have major influence on the level of NPA in the Indian banking sector. There was a 52% increase in restructured debt from 2012 to 2013, which has also proved to be a factor for determination of level of NPA.

Research Gap: From the above review of literature, it can be concluded that there has not been adequate research to understand the impact of Non-Performing Assets in the share prices of banks in India. Several researchers, such as Alam (2016) have conducted studies to understand the factors affecting the Indian stock market and the similar studies, like the determinants of investor sentiment, such as Sehgal, Sood, & Rajput (2009). Studies such as Rathore, Malpani, & Sharma (2013)research on the relationship of NPAs with different factors such Total Advances, etc.

Thus, it is rational to study the impact of NPA levels on share prices of banks in India.

3. OBJECTIVE:

- To study the impact of declaration of NPA divergence on the share prices of Banks in Nifty Bank.
- To study the impact of NPA level as declared in Annual Reports of FY2016-17 and FY2017-18 on the share prices of banks in Bank Nifty.

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- Analysing Twitter sentiment about NPAs in India.

4. DATA AND METHODOLOGY:

4.1 Data Collection:

The share prices of 7 banks have been collected from 01/12/2016 to 15/06/2018 from the National Stock Exchange of India website. (NSE India, n.d.) 4 Private sector banks, namely Axis Bank, Kotak Mahindra Bank, Yes Bank and ICICI bank; 2 Nationalized Banks, namely Punjab National Bank and Bank of Baroda; 1 Public Sector bank- The State bank of India and 1 index- NIFTY Bank has been chosen for to conduct the study.

Axis Bank is the 3rd largest private sector lender and it recorded a profit of Rs. 275.68 Cr in FY2018, as compared to a profit of Rs. 3679.279 Cr in FY 2017. In Q4FY2018, it recorded a loss of Rs. 2189 Crore. However, the share prices increased by 9.2% the following day.(Axis Bank, 2017-18)

Kotak Mahindra Bank recorded a decrease in Net NPA to Net Advances Ratio from 1.26% in FY2017 to 0.98% in FY2018. (Kotak Mahindra Bank, 2017-18) The bank, along with ICICI bank had no divergence as observed by RBI for FY2017 in respect of asset classification and provisioning and hence, no disclosures were to be made regarding the same in the ensuing Annual report of FY2018.

Yes Bank is the 4th largest private sector bank. The Net Profit of the bank grew by 894.46 Cr from FY2017 to FY 2018. The bank also recorded a decrease in Net NPA to Net Advances Ratio from 0.81% in FY2017 to 0.64% in FY2018. (Yes Bank, 2017-18)

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Among the Nationalised banks, Punjab National Bank and Bank of Baroda have been chosen for this study. Punjab National Bank witnessed the Nirav Modi scam in FY2018, the consequences of which can be seen in its deteriorating performance. The Net NPA to Net Advances ratio of PNB is equal to 11.78% in FY2018. (Punjab National Bank , 2017-18)

In the Public Sector Banks, The State Bank of India has been chosen for this study because it has a high level of NPA. The Net NPA in SBI grew from Rs. 54065.6 Cr in FY2017 to 112572.76 Cr in FY2018. (State Bank of India, 2017-18)

4.2 Event data:

The Annual Reports of FY2016-17 and FY2017-18 of the abovementioned banks have been used to analyze the Annual Result of the corresponding years. The date on which the annual report was published differs for every bank. (Bombay Stock Exchange, n.d.)

The RBI Circular requiring banks to make adequate disclosures in the ensuing financial reports in the Notes to Accounts if: (a) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both.; was dated 18th April 2018. (Reserve Bank of India, 2017)

4.2 Methodology: Event Study Method

In order to investigate the impact of Annual Results of banks as well as the RBI Circular on NPA divergence declaration on the bank share prices and indices, the event study methodology has been employed. The picture given below explains the logic of event study. The entire study period is divided into two parts ie., the estimation window and event window. The event window again can be classified as event window before the event day (t0 to t-15) and event window after

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the event days (t0 to t+15). The estimation window is created with the aim of calculating expected return by considering historical prices of 75 days before the event.The event window is the actual study period.

t-90 days----------t-15 days--------t day----------t+15 days

Estimation window Event Window

We will use the mean adjusted returns method for calculating the normal or the daily returns. The following formula will be used:

Equation no. 1:

$$Norml\ Return\ (i,t) = \frac{(Price\ (i,t) - Price\ (i,t-1)}{Price\ (i,t-1)}$$

Equation no. 2:

$$Expected\ Return = \frac{\sum_{k=t-89}^{t-16} Normal\ Return\ (i,k)}{n}$$

Equation no. 3:

$$Abnormal\ Return\ (i,t) = Normal\ Return\ (i,t) - Expected\ Return$$

Equation no. 4:

$$Cumulative\ Abnormal\ Return\ (i,t) = Abnormal\ Return\ (i,t) + Cumulative\ Abnormal\ Return\ (i,t-1)$$

Where,

i = Security

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t = Time (Day)

n = number of days

The expected returns will be calculated using the average returns obtained from the estimation window- a study period of 75 days.

The Abnormal return will be calculated by deducting expected return from actual return earned.

Cumulative abnormal return is estimated by using cumulative values of abnormal returns.

5. ANALYSIS AND INTERPRETATION

The Event Study methodology has been used for the following events separately and the results are discussed below.

5.1 Event 1: Annual Report for FY 2016-17:

Event study methodology has been applied to understand the impact of the Annual Result 2016-17 for the mentioned banks. The following table represents the dates on which the annual result for the FY 2016-17 was declared. (Bombay Stock Exchange, n.d.).

Table no. 5.1: Release date of Annual Report FY 2016-17

BANK	Annual Report 2016-17 Release Date
Kotak Mahindra Bank	27-04-17
Yes Bank	19-04-17
Axis Bank	26-04-17
ICICI Bank	03-05-17
Bank of Baroda	18-05-17
Punjab National Bank	16-05-17
State Bank of India	19-05-17

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Source: https://beta.bseindia.com/corporates/ann.html

The event date (t day) has been taken as the date on which annual result has been published.

Table no. 5.2: Average Abnormal returnand 't' testevent 1 (Annual Result FY 2016-17)

ANNUAL RESULT 2016-17	Kotak Mahindra Bank	Yes Bank	Axis Bank	ICICI Bank	Punjab National Bank	Bank of Baroda	State Bank of India	AVERAGE
Average Return (Estimation Period)	0.26%	0.35%	0.08%	0.15%	0.41%	0.30%	0.22%	0.25%
Average abnormal return before the event	-0.07%	-0.02%	0.27%	-0.18%	0.10%	0.07%	0.17%	0.05%
Average abnormal Return after the event	-0.11%	-0.46%	-0.40%	0.67%	-1.40%	-0.75%	-0.64%	-0.44%
Average abnormal return before, after & during the event	-0.04%	-0.24%	-0.06%	0.20%	-0.50%	-0.41%	-0.18%	-0.18%
Std Deviation for estimation period	1.21%	1.57%	1.80%	1.65%	1.93%	2.21%	1.22%	NA
't'- test	1.28	-0.24	0.03	-0.71	2.07	-1.15	1.19	NA

**Calculated by the authors*

As seen in table 5.2, there is a difference in the average abnormal return before the event and after the event. The average abnormal return before the event is 0.05%; and the average abnormal return after the event is -0.44%.

H_0: There is no impact of the event (Annual Result 2017-18) on the share price returns of Kotak Mahindra Bank, Yes Bank, Axis Bank, ICICI Bank, Bank of Baroda, State Bank of India, Punjab National Bank.

H_1: There is an impact of the event (Annual Result 2017-18) on the share price returns of Kotak Mahindra Bank, Yes Bank, Axis Bank, ICICI Bank, Bank of Baroda, State Bank of India, Punjab National Bank.

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Ifthe 't' test value is less than 1.96, it is insignificant at 95% Confidence interval.

Thus, null hypothesis will be accepted if 't' test value is less than 1.96, as can be seen in Table no. 5.2.It can be concluded that there is no impact of the event (Annual Result 2017-18) on the share prices of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Yes Bank, Bank of Baroda, State Bank of India.

For Punjab National Bank, as the 't' test value is more than 1.96, as seen in Table no. 5.2, it is significant at 95% Confidence interval. Thus, Null hypothesis will be rejected. It means that there is an impact of the event (Annual Result 2017-18) on the share prices of Punjab National Bank.

5.2 Event 2: RBI Circular (dated 18/04/2017):

The Reserve Bank of India released a circular dated 18/04/2017 requiring the banks to make adequate disclosures in their Annual Reports regarding the divergence in their NPAs. (Reserve Bank of India, 2017)

The event date (t day) has been taken as the date on the RBI Circular has been published.

Table no. 5.3: Average Abnormal return and 't' test for event 2 (RBI Circular)

RBI Circular dated 18/04/2017	Kotak Mahindra Bank	Yes Bank	Axis Bank	ICICI Bank	Punjab National Bank	Bank of Baroda	State Bank of India	AVERAGE
Average Return (Estimation Period)	0.22%	0.34%	0.11%	0.04%	0.04%	0.02%	0.06%	0.12%
Average abnormal return before the event	-0.01%	0.06%	0.09%	0.35%	1.03%	0.54%	0.46%	0.36%

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Average abnormal Return after the event	0.12%	-0.36%	0.26%	0.34%	0.65%	0.35%	0.05%	0.20%
Average abnormal return before, after & during the event	0.03%	-0.17%	0.15%	0.34%	0.75%	0.43%	0.25%	0.25%
Std Deviation for estimation period	1.25%	1.58%	1.84%	1.60%	1.88%	2.20%	1.30%	NA
't'- test	-0.71	-0.40	-0.35	0.19	-0.99	0.02	0.06	NA

**Calculated by authors.*

RBI Circular dated 18/04/2017	**BANK NIFTY**
Average Return (Estimation Period)	0.17%
Average abnormal return before the event	0.06%
Average abnormal Return after the event	0.18%
Average abnormal return before, after & during the event	0.11%
Std Deviation for estimation period	0.89%

Table no. 5.4; Source: Calculated by authors.

As seen in Table no. 5.3, there is a difference in the average abnormal return before the event and after the event. The average abnormal return before the event is 0.36%; and the average abnormal return after the event is 0.20%.

H_0: There is no impact of the event (Annual Result 2017-18) on the share price returnsof Kotak Mahindra Bank, Yes Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India.

H_1: There is an impact of the event (Annual Result 2017-18) on the share price returns of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India.

As the 't' test value shown in table no. 5.3is less than 1.96, it is insignificant at 95% Confidence interval. Thus, Null hypothesis will be accepted. It can be understood that there is no impact of

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the event (RBI Circular) on the share prices of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India.

5.3 Event 3: Annual Report for FY 2017-18.

Event study methodology has been applied to understand the impact of the Annual Result 2017-18 for the mentioned banks. The following table represents the dates on which the annual result for the FY 2017-18 was declared. (Bombay Stock Exchange, n.d.).

Table no. 5.5: Release dates for Annual Report FY 2017-18.

BANK	Annual Report 2017-18 Release Date
Kotak Mahindra Bank	30-04-18
Yes Bank	26-04-18
Axis Bank	26-04-18
ICICI Bank	07-05-18
Bank of Baroda	25-05-18
Punjab National Bank	15-05-18
State Bank of India	22-05-18

Source: https://beta.bseindia.com/corporates/ann.html

The event date (t day) has been taken as the date on which annual result has been published.

Table no. 5.6: Average Abnormal return and 't' test for event 3 (Annual Report FY 2017-18)

ANNUAL RESULT 2017-18	Kotak Mahindra Bank	Yes Bank	Axis Bank	ICICI Bank	Punjab National Bank	Bank of Baroda	State Bank of India	AVERAGE
Average Return (Estimation Period)	0.12%	0.03%	-0.10%	-0.11%	-0.74%	-0.14%	-0.29%	-0.17%

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Average abnormal return before the event	0.29%	0.40%	0.21%	0.03%	0.44%	-0.03%	0.35%	0.24%
Average abnormal Return after the event	0.17%	-0.15%	0.65%	0.35%	0.57%	-0.33%	1.03%	0.33%
Average abnormal return before, after & during the event	0.28%	0.39%	0.39%	0.27%	0.59%	-0.11%	0.80%	0.37%
Std Deviation for estimation period	1.35%	1.85%	1.63%	1.92%	3.45%	2.98%	2.09%	NA
't'- test	1.30	4.49	-0.51	1.34	-0.87	0.64	1.98	NA

**Calculated by authors.*

As seen in table 5.6, there is a difference in the average abnormal return before the event and after the event. The average abnormal return before the event is 0.24%; and the average abnormal return after the event is 0.33%. It can be seen that the average abnormal return for all banks except Kotak Mahindra Bank (0.17% to 0.28%), Yes Bank (0.33% to -0.22%), Punjab National Bank (0.57% to 0.59%) and Bank of Baroda (-0.33% to -0.11%) decreased after the happening of the event.

H_0: There was no impact of the event (Annual Result 2017-18) on the share prices of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India, Yes Bank.

H_1: There was an impact of the event (Annual Result 2017-18) on the share prices of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India, Yes Bank.

If the 't' test value is less than 1.96, it is insignificant at 95% confidence interval.

Thus, null hypothesis will be accepted if 't' test value is less than 1.96, as can be seen in Table no. 5.6. It can be concluded that there is no impact of the event (Annual Result 2017-18) on the

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share prices of Kotak Mahindra Bank, Axis Bank, ICICI Bank, Punjab National Bank, Bank of Baroda, State Bank of India.

For Yes Bank, as the 't' test value is more than 1.96, as seen in Table no. 5.6, it is significant at 95% Confidence interval. Thus, Null hypothesis will be rejected. It means that there is an impact of the event (Annual Result 2017-18) on the share prices of Yes Bank.

6. CONCLUSION:

The primary objective of this paper is to understand the impact of NPA levels on the share prices of 7 banks in the Nifty Bank index. Three events- the Annual Result 2017-18, RBI Circular dated 18/04/2017 and the Annual Result for FY 2017-18 were considered for this study. The event study methodology was used to understand the impact of the event on the share prices and the students 't' test was also used.

For event 1, i.e. the Annual Result for FY 2016-17,average abnormal return before the event is 0.05%; and the average abnormal return after the event is -0.44%, as seen in table no. 5.2. However, the 't' test values suggest that there is no impact of the Annual Result 2016-17 on the share prices of banks, except in the case on Punjab National Bank.

For event 2, i.e. the RBI Circular dated 15/04/2017, the average abnormal return before the event is 0.36%; and the average abnormal return after the event is 0.20%, as seen in table no. 5.3. However, the 't' test values suggest that there is no impact of the RBI Circular on the share prices of banks.

For event 1, i.e. the Annual Result for FY 2017-18, average abnormal return before the event is 0.24%; and the average abnormal return after the event is 0.33%, as seen in table no. 5.6. However, the 't' test values suggest that there is no impact of the Annual Result 2016-17 on the share prices of banks, except in the case on Yes Bank.

Thus, we can say that there was no significant impact of NPA levels on the share prices of banks. As can be seen in Annexure 1, the NPA levels of 7 banks rose in FY 2017-18. Banks were

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required to revise their Profit after tax (PAT) for FY 2016-17, and adequate disclosures were to be made in FY 2017-18. The table comparing the declared profits and the revised profits for FY 2016-17 has been attached in Annexure 3.

Our analysis shows that the disclosure had no significant impact in the Indian stock market.

7. SUGGESTIONS

The problem of Non-Performing Assets has been simmering beneath the surface for more than over a decade. As mentioned by Srivastava& Gupta (2013), the increasing number of NPAs deters the economy of a sound financial health, profitability and liquidity. It is imperative for the government to support capital infusion in the economy, with adequate reforms for the upliftment and empowerment of the economy.

Banks in India, especially the public-sector banks, have a higher risk of NPA. Rigidity and effective administration of loans, prevention of frauds and proper management will be tools for reducing the number of NPAs. As Singh (2016) mentions, the Government needs to make provisions for settlement of pending cases and it is suggested that the lending to priority sectors should be reduced.

The Basel (iii) norms, which are expected to be implemented from March 2019 will have a significant and positive impact on commercial banks in India (Barua, Roy, & Raychaudhuri, 2016).

8. SCOPE FOR FURTHER STUDY

The Basel III Accord has been introduced to decrease liquidity risks and strengthen the financial and banking industry. These norms are expected to be implemented in India by March 2019. Studies which understand the impact of these Basel III norms on the NPA levels of commercials banks should be conducted after the implementation.

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Think India Journal
ISSN: 0971-1260Vol-22, Special Issue-21
National Conference on
Recent Advances in Commerce, Management and Computer Science (NRCACMC-2020) sponsored by
Department of Commerce, VEL TECH RangaSanku Arts College,
Avadi, Chennai-62
Held on 4th January 2020

ANNEXURE

Annexure 1: NPA related figures for Private sector banks.

BANK	Kotak		Yes		Axis		ICICI	
Particulars	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Movement of Gross NPAs (in INR Crore)	₹ 3,578.60	₹ 3,825.40	₹ 2,018.56	₹ 2,626.80	₹ 21,280.48	₹ 34,248.64	₹ 42,552.00	₹ 54,063.00
Net non-performing advances as a percentage of net advances	1.26%	0.98%	0.81%	0.64%	2.27%	3.64%	4.89%	4.77%
Movement of Net NPA (in INR Crore)	₹ 1,718.10	₹ 1,665.10	₹ 1,072.27	₹ 1,312.75	₹ 8,626.55	₹ 16,591.7	₹ 25,451.00	₹ 27,886.00
Movement of Provision for Non-performing assets (in INR Crore)	₹ 614.41	₹ 624.81	₹ 946.29	₹ 1,314.06	₹ 12,205.7	₹ 17,355.9	NA	NA
Net Profit/ Loss (in INR Crore)	3411.5	4084.3	3330.1	₹ 4,224.56	3679.279	275.68	9801.09	6777.42

Annexure 2: NPA related figures for Public sector banks.

BANK	BoB		PNB		SBI	
Particulars	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Movement of Gross NPAs (in INR Crore)	₹ 56,480.38	₹ 42,718.70	₹ 55,370.45	₹ 86,620.05	₹ 112,342.99	₹ 223,427.46
Net non-performing advances as a percentage of net advances	4.72%	5.49%	7.81%	11.24%	3.71%	5.73%
Movement of Net NPA (in INR Crore)	₹ 18,080.18	₹ 23,482.65	₹ 32,702.10	₹ 48,684.29	₹ 58,277.38	1,10,854.70
Movement of Provision for Non-performing assets (in INR Crore)	₹ 24,638.52	₹ 32,997.76	₹ 22,043.49	₹ 37,611.82	₹ 54,065.61	1,12,572.76
Net Profit/ Loss (in INR Crore)	1814.98 cr	-1887.12	1324.48	-12282.82	10484.1	-6,547.47

Annexure 3: Reported PAT and Adjusted PAT for FY 2017

Bank	Profit reported in 2016-17 (INR Cr.)	Adjusted profit for FY2017, as declared in AR FY2018 (In INR Cr.)
Kotak	NA	NA
Yes	3330.096	2316.13
Axis	3679.28	2793.95

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ICICI	NA	NA
PNB	1324.8	532.6
BoB	1,383	953
SBI	10484.1	6743.25

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