IMPACT OF THE PANDEMIC ON THE SHARE PRICES OF INDIAN TOURISM DEVELOPMENT CORPORATION LTD IN THE INDIA

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Abstract

The impact of COVID-19 on the share price of tourism-related companies in India has been significant. India, like many other countries, imposed lockdowns and travel restrictions to control the spread of the virus, which severely affected the tourism industry like all the other sectors of the economy. The restrictions led to a sharp drop in both domestic and international travel, causing many tourism-related companies to suffer losses. This article looks into the daily share prices of Indian Tourism Development Corporation Ltd. (ITDC) by using an event study methodology with the use of MS Excel software. The stock prices prior to and after 30 weeks from the date of the announcement of the nationwide lockdown i.e, March 24, 2021 are selected for analysis. The data is collected from the NSE website. It has been discovered that the announcement of lock down as a result of the pandemic had a significant impact on the price and returns of its shares.

Keywords: Covid-19, Tourism Companies, Share Price, Market Price, Securities Market

The global Coronavirus Disease 2019 (COVID-19) outbreak was initially discovered in Wuhan, the capital of Hubei, China, in December 2019.

The World Health Organization (WHO) proclaimed COVID-19 to be a pandemic on March 11, 2020 the pandemic had a significant impact on India. Given the severity of the outbreak and the fact that India has the largest population density in the world, the governments, both at the Union and State levels, started taking the essential steps to stop the pandemic's spread on a war footing (Al-mughairi, 2021). As part of it, Government of India announced a nationwide lockdown from 24th March 2020. Bans on travel, restrictions on large gatherings, and the closure of hotels and restaurants were all part of it.

The COVID-19 pandemic was a source of systematic risk, which caused uncertainty to permeate the world's stock markets and cause significant changes in share prices of companies across the world, especially of the companies related to tourism, transport, and hospitality (Alam, Alam and Chavali, 2020). The share prices of tourism businesses around the world were significantly impacted negatively by COVID-19. Early on in the pandemic, the share prices of many companies involved in the tourism industry, including airlines, hotels, and cruise lines, significantly declined (Kuo and Chen, 2020). Some governments offered financial assistance and bailouts to struggling travel businesses, which in some instances temporarily stabilised share prices (Anwar, 2020)

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Like how it has in many other regions of the world, the COVID-19 pandemic has had a significant influence on the Indian tourism sector. The shares of tourism-related enterprises have suffered severely as a result of travel restrictions and the closing of numerous businesses (Galdini, 2019). The pandemic saw a significant decline in the share prices of businesses involved in the Indian tourism industry, including airlines, hotels, and travel agencies. For instance, the sharp decline in demand for air travel caused the stock prices of Indian aviation companies like IndiGo, SpiceJet, and Jet Airways to collapse. The share prices of hotel chains like Indian Hotels Company Limited (IHCL) and EIH Limited also experienced sharp drops (Farooq, Nasir and Bashir, 2022). This article investigates how Covid 19 has affected Indian Tourism Development Corporation Ltd.'s (ITDC) daily share prices.

ITDC is a public sector undertaking (PSU) of the Indian government that was founded in 1966 with the intention of promoting tourism in India. ITDC has its administrative headquarters in New Delhi and is supervised by the Indian government's Ministry of Tourism. It is a hospitality, retail, and educational company that runs lodging facilities, dining establishments, transportation services, and travel agencies across the nation. Its goal is to market India as a top tourist destination and offer both domestic and foreign visitors high-quality hospitality and travel services. In Delhi, Bangalore, Bhubaneswar, Jaipur, and other locations, ITDC owns and manages several hotels under the name "The Ashok." It also runs eateries, including the well-known "The Ashok Bakery" in Delhi, and has expanded into several different industries, including event planning, duty-free shopping, and light and sound shows. Through the organization of numerous cultural events and festivals as well as the India Tourism Development Corporation Ltd. (ITDC) provision of travel-related services to tourists, the company has actively promoted tourism in India.

This paradigm shift was led by the Indian Tourism Development Corporation (ITDC), a representative organisation in the country's tourism industry. With a long and illustrious past and a dedication to showcasing India's rich culture and diverse landscapes, ITDC's experience with the pandemic provides an engrossing case study of the fortitude and adaptability of a long-standing industry leader. This study explores the COVID-19 pandemic's complex effects on ITDC's business operations, its stock price, and the broader ramifications for the Indian tourism sector. We carefully examine the data to reveal not only the difficulties that ITDC encountered, but also the tactical solutions that were developed in the face of difficulty.

Statement of the Problem:

The Indian Tourism Development Corporation (ITDC) is in a unique position as a result of the COVID-19 pandemic, at a crossroads of unprecedented challenges and game-changing opportunities. This study tackles a complex issue with three main goals: first, to fully comprehend how the pandemic has affected ITDC's stock prices, which reflect the turmoil in the tourism industry; second, to unravel the subtle interplay between normal return and abnormal return within ITDC's share prices, shedding light on the pandemic's particular influence on financial dynamics; and third, to examine the developing landscape of stock price and stock return amidst heightened market volatility.

The study aims to address these complex issues faced by ITDC and provides insights that go beyond the confines of the travel and tourism sector. We seek to shed light on the forces that shaped ITDC's experience during the pandemic, ultimately advancing knowledge of how different industries deal with change and adversity. We aim to give stakeholders insightful information to guide strategic planning and decision-making in an era characterised by resilience and adaptation by examining the impact of COVID-19 on ITDC's stock prices, the interaction between normal and abnormal returns, and the changing relationship between stock price and stock return.

Research Objectives:

- **Deciphering the Pandemic's Influence on ITDC Stock Prices**: The primary goal of our research is to shed light on the significant effect that the COVID-19 pandemic has had on the share prices of ITDC. We aim to provide a thorough understanding of how external shocks, such as travel restrictions and economic volatility, have impacted the valuation of ITDC's shares through a meticulous analysis of historical data and market trends.
- **To determine how COVID will affect the relationship between the normal return and abnormal return of ITDC share prices**: The relationship between normal return and abnormal return often offers fascinating insights into the underlying factors that influence asset performance in the field of financial analysis. Our second goal was to ascertain how the COVID-19 pandemic's appearance has changed this precarious equilibrium for the share prices of ITDC. We seek to deepen understanding of the distinct impact of the pandemic on the company's financial dynamics by analysing the interactions between expected market returns and outliers.
- **To determine how COVID-19 will affect the relationship between stock price and stock return**: The third objective of our research explores the relationship between the stock return and price of ITDC amid the pandemic's turbulence. We try to understand how this relationship has changed as a result of the increased market volatility and shifting investor sentiment. We aim to provide insightful information for both seasoned investors and decision-makers in the tourism industry by investigating the price-performance correlation and shedding light on the changing investment landscape within the context of the sector.

Variables of the Study:

- Daily Share Price of ITDC
- Stock Price
- Market Price
- Stock Return
- Market Return
- Normal Return
- Abnormal Return

Hypotheses:

1. H0- COVID -19 does not have an impact on stock price movement of ITDC

H1- COVID -19 have an impact on stock price movement of ITDC

2. H0- There is no significant relationship between normal return and abnormal return of shares of ITDC due to COVID-19

H1- There is a significant relationship between normal return and abnormal return of shares of ITDC due to COVID-19

3. H0- There is no significant relationship between stock price and stock return due to COVID-19

H1- There is significant relationship between stock price and stock return due to COVID-19

Review of Literature

- Rana and Raghav (2020) examined the share prices of tourism-related businesses in India, such as airlines, hotel chains, and travel agencies, were significantly impacted negatively by COVID-19. The authors emphasised that during the early stages of the pandemic, the share prices of these companies saw significant drops.
- Pradhan, Maheshwari, and Chakraborty (2020) examined the effects of COVID-19 on the Indian travel and tourism market, the industry has suffered losses totalling billions of dollars. The authors pointed out that as a result of the sharp decline in demand for tourism services, businesses were compelled to reduce staffing levels and operating expenses. It is concluded that the value of many stocks in India with ties to the tourism industry has decreased.
- ICICI Securities (2020) examined the impact of COVID-19 on the stock prices of Indian tourism companies for the period of the January-March 2020. The report discovered that the stock prices of these companies had fallen by about 23% as a result of the pandemic. The report noted that companies with strong balance sheets and liquidity had fared better than others, with the decline being more pronounced in the hotel and airline sectors.
- Deloitte (2020) emphasizes the difficulties the Indian tourism sector encountered during the pandemic. According to the report, tourism is a significant factor in the Indian economy, and the sector's decline has had a negative impact on the country's overall economy. The authors also point out that for the tourism sector to thrive in the post-COVID era, the pandemic has highlighted the need for industry-wide innovation and adaptation.
- Acharya (2021) examined the effect of COVID-19 on the stock prices of Indian travel agencies. According to the authors, these businesses experienced a decline in stock prices of about 60% as a result of the pandemic. They observed that compared to other tourism-related sectors, the decline was more pronounced in the hotel and airline industries sector. The study recommended that policies and government assistance could lessen the pandemic's effects on business.
- Ganie, Wani and Yadav (2022) stated that the adoption of various lockdown types and timely package declarations by governments during the pandemic is said to have resulted in effects that vary across indices. The size of an economy's economic activity as well as the disruption that COVID-19 caused to those activities affect how responsive the markets are. It is found that the COVID-19 crisis has been

recognized by the stock markets, and the majority of stock markets have had negative returns as a result.

Insights into the larger trends seen in the world of tourism are gained from the literature. Shares of companies involved in the tourism industry suffered greatly as a result of travel restrictions and company closures. However, within this context, we aim to examine ITDC's particular journey, examining how its share prices and market performance fluctuated during the tumultuous times of the pandemic.

Research Methodology

Research Design: The study is both descriptive and analytical in nature. The study combines elements of analytical and descriptive research to understand relationships, causes, or patterns in the data. Analytical research entails a deeper analysis than descriptive research and provides a more detailed account or description of a subject (Creswell and Creswell, 2017). An event study methodology is adopted to carry out this study.

Event Study: An event study is a type of research methodology used in the fields of finance, economics, and related disciplines to examine how a particular event or piece of news may have affected a company's stock price or financial performance. An event study's main objective is to determine whether a particular event has had a statistically significant impact on the financial markets. They support informed decision-making by assisting investors, decision-makers, and researchers in understanding how events impact stock prices and financial markets.

An event study is a method for assessing the impact of a particular event on a company's stock price and returns. Here, the lock down which is announce on 24th march 2020 as a result of the wide spread of the COVID-19 pandemic is chosen as an event.

Event Interest- An event study concentrates on a specific event or news item that is thought to be important or pertinent to the financial markets. This event could be, for instance, a merger or acquisition announcement, a regulatory change, an earnings announcement, or any other occurrence that might potentially affect investor behaviour. The event of interest in this study is the advent of COVID 19 and the declaration of lockdown.

Event day- March 24, 2020, denoted by 0, the date on which the announcement of the event (Nationwide lockdown) occurred.

Event Window- is a period in which abnormal return is calculated considering some trading days of pre and post of the event day of the sample companies. Here 15 weeks before the event and 15 weeks after the event are selected for analysis. Thus, the event window will be 30 weeks consisting of 210 days. Hence the event date will be denoted as 0.

Window estimation- 211 days it is the time frame used to calculate estimated returns including the event day.

Stock Return: The term "stock return" in an event study describes the variation in a stock's price over a specific time period leading up to an event. As they serve as the foundation for determining the event's effect on a company's or a portfolio of companies' financial performance, stock returns are a crucial part of event studies. The price change of a stock expressed as a percentage over a specified event window is typically used to calculate stock returns. The event window is divided into two parts: the pre-event period,

which is typically several days or weeks before the event, and the post-event period (usually several days or weeks following the event). Researchers, investors, and policymakers can better understand how a particular event affected a company's stock price by using the results of an event study's findings on stock returns. While negative abnormal returns might suggest a negative reaction, positive abnormal returns might suggest a positive response to the event.

Market Return: The term "market return" in an event study refers to the performance of the larger stock market or a pertinent market index over the same time period as the event under study. In order to evaluate the impact of the event, stock returns of the particular businesses or assets involved are compared to the market return as a benchmark. Similar to how stock returns are calculated, market returns are also computed. It shows the percentage change in an asset's value that reflects the performance of the entire market, such as an index of the market or a representative basket of assets.

Normal Return: The term "normal return" in an event study describes the anticipated or typical return that an asset, such as a stock, would experience over a given period if there were no material events or news releases impacting its price. Because it provides a standard against which to measure the actual return seen during an event period, the idea of the normal return is crucial in event studies. Researchers use a variety of techniques, including historical average returns, market models (such as the Capital Asset Pricing Model, or CAPM), or other benchmark indices that reflect the asset's anticipated performance in the absence of the event, to calculate the normal return.

Abnormal return: The term "abnormal return" in an event study refers to the discrepancy between an asset's actual return (such as a stock) during a particular event window and the expected or "normal" return that would have been anticipated for the same asset during that time under typical market conditions. Event studies depend heavily on abnormal returns because they allow researchers to gauge how a particular event will affect the price of an asset. Abnormal returns reveal how the asset's price responded to the particular event under study. A positive abnormal return indicates that the asset responded favourably to the event by performing better than anticipated during the event window. A negative abnormal return, on the other hand, denotes a worse-than-expected performance of the asset and denotes a negative response.

Standard error of Abnormal Return: Statistical models or regression analysis are frequently used to calculate the Standard Error of Abnormal Return. It takes into account a number of variables, such as market volatility and company-specific risk that may have an impact on the variability of returns. Depending on the statistical method used, the exact formula for calculating the SEAR may change, but it typically includes components like residual variance, sample size, time period, and market model.

t statistics of abnormal return: The t-statistic of abnormal return is a statistical tool used in event studies to determine the significance of the abnormal returns seen during a particular event window. The t-statistic aids in determining whether the abnormal returns are statistically different from zero, demonstrating whether the event had a significant impact on the asset's price. To

determine whether an abnormal return is statistically significant, use the t-statistic for abnormal returns. Comparing the t-statistic to a critical value from a t-distribution or using a significance level are two ways to interpret it (alpha). The main considerations are:

- The abnormal return is regarded as statistically significant if the t-statistic is higher than the critical value or if the p-value connected to the t-statistic is lower than the selected significance level (e.g., 0.05).
- The abnormal return is not regarded as statistically significant if the t-statistic is lower than the critical value or if the p-value is higher than the significance level.

A statistically significant t-statistic suggests that it is unlikely that the observed abnormal return happened by chance. It implies that the asset's price was significantly affected by the event during the event window and was statistically significant.

Table 1- Calculation of Stock Return, Market Return, Normal Return, Abnormal Return, and t Statistics of Abnormal Return

Period	Date	Stock Price	Market Price	Stock Return	Market Return	Normal Return	Abnormal Return	t- Statistics of AR
-15	Jul 06, 2020	210.05	10723.85	-----	-----	------	-----	------
-14	Jun 29, 2020	215.15	10311.95	0.023989862	-0.039166816	-0.064014958	0.088004819	1.201679854
-13	Jun 22, 2020	208.1	10318.75	-0.03331672	0.000659212	0.011195986	-0.044512712	-0.607807959
-12	Jun 15, 2020	215.2	9919.35	0.033549095	-0.039475234	-0.0645974	0.098146495	1.34016145
-11	Jun 08, 2020	199	10326.75	-0.07826304	0.040250221	0.085963101	-0.164226104	-1.242459025
-10	Jun 01, 2020	161.7	9726.85	-0.20756205	-0.059847513	-0.10307019	-0.104491868	-1.426805648
-9	May 25, 2020	151.6	9099.75	-0.06449729	-0.066643162	-0.115903686	0.051406392	0.701939127
-8	May 18, 2020	161.9	9158.3	0.065733387	0.006413631	0.022063134	0.043670253	0.596304431
-7	May 11, 2020	151.2	9348.15	-0.06837539	0.020517891	0.048698848	-0.117074245	-1.598614284
-6	May 04, 2020	160.8	9533.5	0.061557893	0.019633449	0.04702859	0.014529303	0.198393345
-5	Apr 27, 2020	164.9	9259.7	0.025177873	-0.029140261	-0.045079936	0.070257809	0.959349664
-4	Apr 20, 2020	178.95	9390.2	0.081767208	0.013994942	0.036380341	0.045386866	0.619744274
-3	Apr 13, 2020	154.85	9103.95	-0.14464953	-0.030958207	-0.048513104	-0.096136426	-1.312714551
-2	Apr 06, 2020	130.95	8446.3	-0.16764133	-0.07497991	-0.131647527	-0.035993809	-0.491484844
-1	Mar 30, 2020	121	8385.95	-0.07902502	-0.007170789	-0.00359087	-0.075434155	-1.03003114
0	Mar 24, 2020	105.15	7848.3	-0.14040264	-0.066260739	-0.115181484	-0.02522116	2.242459025

1	Mar 16, 2020	150	9587.8	0.355247392	0.200194509	0.388015843	-0.032768451	-0.44744353
2	Mar 09, 2020	196	10742.05	0.267479365	0.113674489	0.224623892	0.042855473	0.585178849
3	Mar 02, 2020	238	11387.35	0.194156014	0.058337144	0.120120024	0.074035991	1.010939621
4	Feb 24, 2020	295.5	12012.55	0.216398163	0.053448846	0.110888536	0.105509627	1.440702842
5	Feb 17, 2020	321.95	12131.8	0.085727417	0.009878168	0.028605867	0.05712155	0.779977924
6	Feb 10, 2020	291.9	12102.35	-0.09798497	-0.002430456	0.005361189	-0.103346165	-1.411161405
7	Feb 03, 2020	278	11627.45	-0.04879016	-0.040030967	-0.065646895	0.016856731	0.230173689
8	Jan 27, 2020	306.75	12197.1	0.09841197	0.047829537	0.100276541	-0.001864571	-0.025460173
9	Jan 20, 2020	317.95	12430.5	0.035861054	0.018954911	0.045747181	-0.009886127	-0.134992148
10	Jan 13, 2020	294.8	12296.7	-0.07559697	-0.010822196	-0.010486506	-0.065110472	-0.889064288
11	Jan 06, 2020	312.8	12170.6	0.059266848	-0.010307726	-0.009514936	0.068781784	0.93919498
12	Dec 30, 2019	310.7	12274.9	-0.00673619	0.00853332	0.026066138	-0.032802331	-0.447906152
13	Dec 23, 2019	318.95	12235.45	0.026206534	-0.003219051	0.003871937	0.022334598	0.304972344
14	Dec 16, 2019	337.85	12131.35	0.057567659	-0.008544465	-0.006185039	0.063752699	0.870524297
15	Dec 09, 2019	346.75	11939.1	0.026002049	-0.015974283	-0.020216155	0.046218205	0.631095953

Source- Secondary data from NSE website analysed using Ms Excel 2019.

The National Stock Exchange's website served as the source for the weekly stock price and market price. The stock return and market return are the natural algorithms of stock price and market price respectively. To determine the normal return, the market model or single-factor model is used.
NR= **α + (**β * MR)

Abnormal return is the difference between Stock Return and Normal Return.
AR= SR-NR

t statistics of abnormal return= AR/SE,

in which SE is the Standard Error, $\mathrm{SE} = \frac{\sigma}{\sqrt{n}}$ which can be calculated as:

The calculated value of Standard Error was 0.073235. The values of t statistics are the determinant of significance of the event (here, announcement of lockdown) in the share price of the company. Here, the t statistic value of the event date is calculated as 2.242459025.

Criteria for hypothesis testing is that if the calculated value of t statistics is greater than the t table value at 95% confidence level i.e., 1.96, then the event is significant. Otherwise, the calculated value of t statistics is less than 1.96 the event is said to be insignificant. Hence, the null hypothesis in hypothesis 1 is rejected that the Announcements of nationwide lockdown as part of the spread of COVID-19 have a significant impact on stock price movement.

Additionally, the significance of impact is evident from the share price and market price movement of the pre- and post-event dates. Thus, it can be inferred that the wide spread

of COVID 19 had a significant impact in an adverse manner on stock prices.

Table-2 Firm characteristics regression coefficients using market model

Company Name	Pre and post period of Announcement of insider trading	
	Intercept (α)	Slope (β)
India Tourism Development Corporation Ltd (ITDC)	0.009951	1.888487

Source: Calculation done in Ms Excel 2019

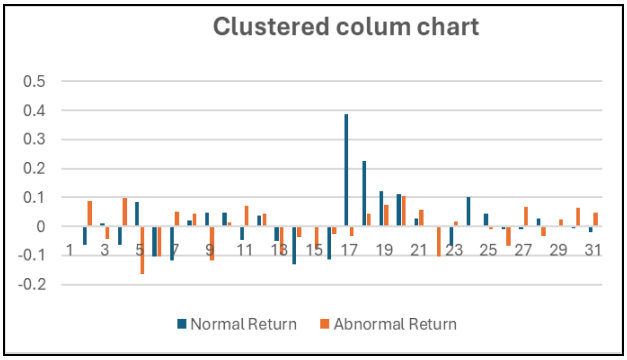
The Table 2 shows that the vertical intercept or the alpha value of the shares of the company which is calculated as, 0.009951 indicates that the shares of the company has earned a return corresponding with the risk, here risk will be the occurrence of the undesirable event i.e, COVID-19. The slope or beta value of the shares of the company which is calculated as 1.888487, denotes that the share price of the company swings more widely than the overall market. The calculated value indicates that the share price is less volatile than the entire market. Which shows the significant impact of COVID-19 on the share price of the company.

Table-3 Karl Pearson's correlation - coefficient between Normal Return and Abnormal Return of the share.

	Normal Return	Abnormal Return
Normal Return	1	
Abnormal Return	-8.120780555	1

Source: Calculation done in Ms Excel 2019.

Figure-1 Pivot table showing the relationship between Normal Return and Abnormal Return of the share



Source: Calculation done in Ms Excel 2019.

Depending on how a security or fund has fared in comparison to its benchmark, an abnormal rate of return may be positive or negative. The normal rate of return could be the performance of an index, like the 50-share Nifty index or the S&P BSE Sensex, or it could be a forecasted return based on a model. In most of the days (for the period taken) the abnormal return and normal return are negative or zero, it indicates the worst performance of the company's shares. At 0.01 significant level the calculated value of correlation in between normal and abnormal return is -8.12078055, indicates the a strong negative correlation between the two. The null hypothesis in the hypothesis 2 cannot reject. That, there is no significant relationship between normal return and abnormal return of shares due to COVID 19. It can be inferred that due to the occurrence of COVID, no relationship is formed between the normal return and the abnormal return of the shares.

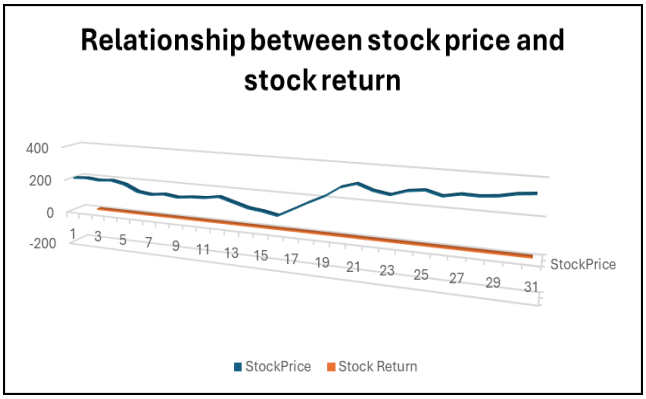
A positive relationship between abnormal return with normal return indicates the price stability of the company. Here it can be inferred that, as there is no significant relationship between the two, the performance of the company is not in a favourable position, it is because of the occurrence of COVID-19.

Table – 4 Karl Pearson's correlation - coefficient between Stock Price and Stock Return.

	Stock Price	Stock Return
Stock Price	1	
Stock Return	0.23859691	1

Source: Calculation done in Ms Excel 2019

Figure-2 Line chart showing the relationship between Stock price and Stock Return



Source: Calculation done in Ms Excel 2019

Stock returns are one way to gauge how well a company's stock is performing. Typically, stock returns are directly correlated with share price. The stock return automatically rises in tandem with an increase in share price. The stock price experienced significant movement over the time period used for calculation. The stock was worth Rs.346.75 at the start of the time period. The stock price then began to fluctuate, reaching its lowest point (105) on the event day. At 0.01 significant level, the value of correlation co-efficient is 0.23859691. Which means, there is only a weak correlation between the stock price and stock return. As shown in the figure. 2, the stock price widely fluctuate day after day, whereas, the stock return remains stable almost. With the correlation value of 0.23859691 the null hypothesis in hypothesis 3 can be accepted that there is no significant relationship between stock price and stock return. It can be inferred that the frequent fluctuation in the stock price due to the occurrence COVID-19 is the reason for the weak positive correlation between the share price and stock returns.

Major Findings and Inferences

- From literatures it is found that the COVID-19 pandemic has had a significant impact on the Indian tourism industry, as it has in many other parts of the world. Due to travel restrictions and business closures, shares of companies that are related to tourism have taken a significant hit.
- From statistical analysis it is observed that the occurrence of COVID 19 have a significant impact on the shares of ITDC also.
- The share prices and market prices are frequently fluctuating for the period taken for the study.
- Calculated value of t statistics indicate a significant adverse impact of the event with the share price and market price of ITDC
- The alpha value shows that the shares of the company has earned a return corresponding with the risk. Here the risk is the systematic risk, i.e, COVID-19
- The share price of ITDC is less volatile than the entire market.
- The abnormal return and normal return are typically negative or zero on most days (for the time period considered), which represents the worst performance of the company's shares. Thus, there is no significant relationship between the normal return and abnormal return of the shares of ITDC.

- There is no significant relationship between stock price and stock return among ITDC shares
- The frequent price swings brought on by COVID-19 can be inferred to be the cause of the sluggishly positive correlation between share price and stock returns.

Conclusion

Several important conclusions regarding the COVID-19 pandemic's effects on the Indian Tourism Development Corporation (ITDC) and its shares can be drawn based on the study's findings and inferences:

- Significant Impact on the Indian Tourism Industry: The study supports the body of research that has already been done and confirms that the COVID-19 pandemic had a significant and profound effect on the Indian tourism industry, mirroring the global trend. Shares of tourism-related companies suffered as a result of travel restrictions and business closures.
- Specific Impact on ITDC: According to statistical analysis, the occurrence of COVID-19 significantly and statistically affected the shares of ITDC. This demonstrates the ITDC's susceptibility to outside shocks, especially those relating to public health and travel restrictions.
- Share and market prices were frequently fluctuating during the study period, as was evident from the study's findings. The pandemic's financial market turmoil was a reflection of the unpredictability and quick changes in the state of the economy.
- T-Statistics Show Negative Impact: The COVID-19 event clearly had a negative impact on the share price and market price of ITDC, according to the calculated t-statistics. The magnitude of the challenges the business faced during the pandemic is highlighted by this statistical significance.
- Returns after Adjusting for Risk: The alpha value analysis showed that the returns on ITDC's shares were in line with the systematic risk brought on by the COVID-19 pandemic. This indicates that investors may have anticipated a return sufficient to cover the increased risk involved in picking the company at this time.
- The share price of ITDC was discovered to be less erratic than the entire market in terms of relative market volatility. This relative stability may be a sign that during the pandemic's turbulent times, investors saw ITDC as a less risky investment option.
- Complex Relationship between Abnormal and Normal Returns: The study discovered that during the study period, both the abnormal and normal returns were frequently negative or zero. This suggests that there is no significant correlation between these two measures, indicating that factors other than the expected market returns were responsible for the abnormal returns.
- No Significant Relationship between Stock Price and Stock Return: The analysis showed that among ITDC shares, there was no significant correlation between stock price and stock return. According to the study,

variables other than stock price had an impact on stock returns during the pandemic.

- Price Swings and Slow Correlation: It was determined that COVID-19's frequent price swings were most likely to blame for the share price and stock return's slowly increasing positive correlation. The relationship between these variables became more complex as a result of these fluctuations.

The COVID-19 pandemic was a source of systematic risk, which spread uncertainty throughout the stock markets around the world and significantly altered the share prices of businesses, particularly those involved in the travel and tourism industry. India Tourism Development Corporation Ltd. (ITDC) will also come under such type of companies. The share price and market price were frequently fluctuated for the time taken for study. The volatility of shares of ITDC is less than the market. The normal return and abnormal return of the shares of the company are not correlated, thus, it can be concluded that the for the selected period, performance of the shares were worst. Like the other companies in the tourism sector, the occurrence of COVID -19 severely affected the shares of ITDC also.

In conclusion, the study offers empirical proof of the COVID-19 pandemic's significant effects on ITDC's shares and the Indian tourism sector as a whole. The negative effects on share prices, the stability in relation to the market, and the intricate relationships observed highlight the numerous difficulties the company has faced during this exceptional time. These results help us understand the dynamics of the tourism sector in the face of unforeseen crises and offer insightful information to investors, decision-makers, and industry participants.

Suggestions

- The ITDC should think about diversifying its revenue streams in light of the significant impact that outside events like the COVID-19 pandemic have had on the tourism sector. By examining opportunities in related industries like hospitality, digital services, or domestic tourism, it is possible to lessen its reliance on international travel and to reduce the risks brought on by outside shocks.
- Enhanced Risk Management: To better prepare for and respond to unanticipated crises, ITDC should strengthen its risk management strategies. This entails creating emergency plans that take pandemics, natural disasters, and other disruptive events into consideration. The company can reduce negative effects on its share price and financial performance by proactively managing risks.
- Building a more resilient supply chain is essential, particularly for a business like ITDC that depends on numerous suppliers and partners in the tourism sector. Maintaining operations and investor confidence can be facilitated by ensuring the capacity to adjust to disruptions and secure backup supply sources in times of need.
- Strategic Partnerships: Cooperation and partnerships with other travel and tourism businesses can help each other out when times are tough. These collaborations may involve

exchanging information, expertise, and best practises for handling crises.

- Management of Liquidity: To withstand financial shocks, a healthy level of liquidity is essential. To guarantee it can pay its operational costs even during times of decreased revenue, ITDC should have a strong liquidity management strategy in place. This may lessen the likelihood of sharp share price declines.
- Strengthening Digital Presence: By accelerating digital transformation initiatives, ITDC can better adjust to customers' shifting preferences and expectations, such as rising demand for online reservations and contactless transactions. Enhancing e-commerce capabilities and online visibility can also lessen the effects of disruptions.
- Investor Communication: It's essential to have open lines of communication with investors, especially when things are uncertain. To keep shareholders' trust and confidence, ITDC should provide regular updates on its strategies, risk mitigation efforts, and financial performance.
- Scenario Planning: ITDC can better prepare for a variety of potential challenges by conducting scenario planning exercises that take into account various economic, geopolitical, and health-related scenarios. This proactive strategy can help informing decisions to safeguard shareholder value.
- Sustainable Business Practices: Adopting sustainable business practises can be a long-term tactic to draw in investors and tourists who care about the environment. The company's reputation can be improved and it can reach a wider market by implementing eco-friendly procedures and encouraging responsible travel.
- Financial support: To help ITDC deal with the financial strain brought on by the pandemic, the government may offer financial support. This could include grants, loans, or other financial incentives to help the company maintain its operations and pay its employees.
- Tax relief: To assist ITDC in maintaining its financial stability, the government may offer tax relief in the form of tax waivers or reductions.
- Support for marketing and promotion: The government can help ITDC market its offerings to boost domestic tourism. This might entail starting initiatives to promote domestic travel, collaborating with businesses engaged in the tourism industry, and making ITDC's services more widely known
- Infrastructure support: To make it simpler for tourists to access ITDC's services, the government can invest in enhancing the infrastructure surrounding its properties, such as transportation and communication infrastructure.
- Training and skill development: To improve the ITDC employees' abilities and knowledge, the government could have offered training and skill development programs.

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