



An Empirical Analysis of Share Price Volatility in the context of Integrated Reporting by Selected IT Companies in India

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Abstract

Integrated reporting refers to a reporting mechanism which involves combining financial and non-financial information in a single concise report thereby promoting transparency and value creation for organizations globally. In India, the adoption of integrated reporting practices among companies is on a rise in recent times. This study aims to understand the IR quality and practices among Information Technology companies in India and the impact of IR quality on the share price volatility of the selected IT companies. For the purpose of study, a sample of 10 Information Technology companies are selected and analysis is done for the financial year 2023-2024. The data for the purpose of study is collected through secondary sources such as Integrated reports, annual reports, research papers, newspapers etc. For the purpose of data analysis, descriptive statistics and correlation analysis have been used for hypothesis testing. The findings of the study reveal that the IT sector in India have been preparing quality Integrated Reports but there is still scope for improvement and that there is moderate negative correlation between IR quality and share price volatility implying that as a company practices quality IR, the share prices tend to become stable. This study thereby highlights the growing importance of integrated reporting as a strategic tool for sustainability, transparency and investor engagement in the IT sector of India.

Keywords: Integrated Reporting (IR), Information Technology (IT), Share Price Volatility, Descriptive Statistics

1. INTRODUCTION

The fast-pacing world in modern times expects businesses to have a dynamic approach along with transparency, accountability and value creation. Integrated Reporting (IR) which is developed by the International Integrated Reporting Council (IIRC) is modern and holistic form of corporate reporting which encompasses disclosure of financial and non-financial information by companies. It represents a paradigm shift in the way companies communicate their strategy, governance, prospects and performance thereby providing valuable information to stakeholders and promoting sustainable decision-making.

The Information Technology (IT) sector in India has had massive upgradation in recent times with respect to product innovation, quality and service provision etc. The Indian IT sector known for its global outreach and innovation has been playing a pivotal role in enhancing stakeholder trust and expectations.

Share price volatility is a crucial factor for the investors as it reflects the risks and uncertainties of company's stock.

The impact of Integrated Reporting on Financial Market indicator such as share price volatility is still an unexplored area in research. This study aims to bridge the gap by analysing the influence of IR quality on the share price volatility considering the Information Technology sector of India.

2. REVIEW OF LITERATURE

Vimukthi, M & Perera, Malintha. (2025) examined the impact of GRI disclosures on share prices of listed companies in India. For the purpose of study, a sample of 27 Sri Lankan listed companies were selected and the GRI disclosures in the annual reports of the selected companies was analysed from 2021 to 2024. The results of the study concludes that the companies adopting comprehensive sustainability reporting receive a positive investor sentiment and growing market value.

Gaur, Neha. (2025), explored the impact of adopting IFRS on share prices of telecom companies in India from 2011 to 2024. T-test method was used for the purpose of study. The findings of the study indicate that there is no impact of IFRS on share price of telecom companies before and after its adoption in India.

Vishakhaben, M. (2021) studied the impact of integrated reporting on share price of Oil and Gas companies of India for the financial years 2012-13 to 2019-20. The data was collected through secondary sources. For the purpose of study Integrated Disclosure Index was calculated. The results of the study indicate that no connection between integrated reporting and share prices in oil and gas sector in India.

Rambe, Patient. (2016), analysed the impact of integrated reporting ratings (IRR), CEO age and years of experience on the share price of top 106 JSE listed companies. For the purpose of study, a sample of top 106 companies listed on Johannesburg Stock Exchange (JSE) for the year 2014 was considered. The findings of the study reveal that an increase in IRR, age and experience of CEO results in increase of share prices of selected listed companies.

3. OBJECTIVES

- a) To assess the current state of Integrated Reporting practices among selected Indian IT companies.
- b) To study the impact of the quality of Integrated Reporting (IR) on share price volatility of selected IT companies in India.

4. HYPOTHESIS

H01- There is no significant relationship between the quality of integrated reporting and share price volatility among selected Indian IT companies.

H11- There is a significant relationship between the quality of integrated reporting and share price volatility among selected Indian IT companies.

5. RESEARCH METHODOLOGY

For the purpose of study, the relevant data has been collected mainly from secondary sources such as Annual Reports, Business Responsibility and Sustainability reports and Integrated Reports of the selected Indian companies. Various Newspapers, research papers and corporate magazines published from time to time has also been referred for data collection.

A sample of 10 Indian companies from the Information Technology sector for the financial year 2023-24 have been studied using Descriptive statistics and Correlation analysis.

6. LIMITATIONS

- A sample of 10 Indian companies from Information Technology sector has been considered for the study.
- The data for the purpose of study has been collected from secondary sources only.
- In India, there is no prescribed format for Integrated reports preparation. Therefore, the selected companies have prepared the integrated reports as per their discretion.

7. DATA ANALYSIS AND INTERPRETATION

Given below is the profile of the selected Information Technology companies in India which have been considered for the purpose of study:

Table 01: Profile of the selected IT Indian Companies

Sr. No.	Name of the Company	Core services	Year of IR adoption
1	Tata Consultancy Services (TCS)	IT services, consulting, digital solutions	2018
2	Infosys	Cloud, AI, consulting, outsourcing	2018
3	Wipro	Digital, engineering, business solutions	2018
4	HCL Technologies Limited	Software, cloud, cybersecurity	2019
5	LTIMindtree Limited	IT consulting, engineering, data analytics	2022
6	Tech Mahindra Limited	Telecom, IT, digital transformation	2019
7	Mphasis Limited	Cloud and cognitive services	2020
8	Coforge Limited	Automation, analytics, business process	2020
9	Persistent Systems Limited	Digital engineering, platforms, cloud	2020
10	Tata Elxsi Limited	Design & tech for auto, health, media	2021

- To assess the current state of Integrated Reporting practices among selected Indian IT companies.**

To study this objective, Descriptive statistics are calculated using Jasper.

Table 02: Descriptive Statistics for Selected IT Indian Companies

<i>Descriptive Statistics</i>	
IR Quality	
Valid	10
Missing	0
Median	8.250
Mean	8.100
Std. Deviation	0.966
Variance	0.933
Range	3.000
Minimum	6.500
Maximum	9.500

The Descriptive statistics comprising of median, mean, standard deviation, variance, range, minimum and maximum is calculated for the selected IT companies.

From the above table it is observed that as the mean score of IR Quality is 8.1, it implies that the IT sector companies are moderately aligned with the integrated reporting principles. The standard deviation of 0.97 indicates consistency in IR practices as the IR scores are close to the mean. The median of 8.25 which is slightly higher than the mean indicates a slight left skew in the distribution.

b) To study the impact of the quality of Integrated Reporting (IR) (independent variable) on share price volatility (dependent variable) of selected IT companies in India

To study the impact of quality of Integrated reporting on share price volatility, Pearson's Correlation Co-efficient is calculated using Jasper.

Table 03: Correlation Matrix for IR Quality and Share Price Volatility

<i>Pearson's Correlations</i>			
Variable		IR Quality	Share Price Volatility
1. IR Quality	Pearson's r	—	
	p-value	—	
	Lower 95% CI	—	
	Upper 95% CI	—	
2. Share Price Volatility	Pearson's r	-0.361	—
	p-value	0.306	—
	Lower 95% CI	-0.807	—
	Upper 95% CI	0.348	—

* p < .05, ** p < .01, *** p < .001

From the above table, the results indicate a negative correlation between IR Quality and Share Price Volatility since Pearson's $r = -0.361$. The p-value is 0.306, which is greater than the significance level of 0.05, it can therefore be observed that the correlation is not statistically significant. It means that as IR Quality increases, Share Price Volatility tends to decrease but not strongly.

H01	There is no significant relationship between the quality of integrated reporting and share price volatility among selected Indian IT companies.	Accepted
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H11	There is a significant relationship between the quality of integrated reporting and share price volatility among selected Indian IT companies.	Rejected
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8. CONCLUSION

In recent times, Integrated reporting has been gaining momentum globally. This study was done to study the IR practices and quality of the selected IT companies in India. It can be summarized that the IT companies in India are making reasonable efforts to imbibe IR practices but there is still scope for improvement. There is a moderately high but uneven state of adoption with a few companies putting in better presentation of IR wherein the others which require improvement.

The objective of exploring the influence of IR on share price volatility has revealed that a moderate negative correlation exists between IR quality and share price volatility. It implies that the higher the quality of IR quality, the share prices tend to be more stable. It can therefore be suggested that quality IR practices bring about stability in share prices thereby encouraging companies in India to adopt IR practices.

Although limited to a single financial year, the study connects integrated reporting to market-based outcome thereby contributing to the growing body of literature. This research could further be extended by way of analysis for multiple years and incorporating various variables such as firm size, firm performance, ESG scores, investor perception etc. to gain a better understanding of how integrated reporting influences capital markets in India.

9. REFERENCES

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