

Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH & REVIEWS

journal homepage: www.ijmrr.online/index.php/home

IMPACT OF INTERIM FINANCIAL REPORTING ON STOCK PRICE VOLATILITY: EVIDENCE FROM NIFTY 50 INDEXED IT COMPANIES IN INDIA UNDER IND AS 34

Shivakumar C Y¹, Manjunath M² & Sunil G E³

¹Assistant Professor, DoS in Commerce, Vidyavardhaka First Grade College, University of Mysore, Mysore District – 570001, Karnataka, India.

²Assistant Professor, Janatha First Grade College, 2nd main, 8th cross, Chamarajpet, Bangalore – 560018.

manjnath.munirathnam12@gmail.com

³Guest Faculty, Department of Commerce, Maharani's Arts, Commerce and Management College for Women, Maharani Cluster University, Bengaluru – 560001, Karnataka, India.

sunilge2000@gamil.com

How to Cite the Article: Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.



<https://doi.org/10.56815/ijmrr.v5i7.2026.65-80>

Keywords	Abstract
<i>Ind AS 34, Stock Price Volatility, NIFTY 50, Interim Financial Reporting, Earnings Announcement</i>	Interim financial reporting, governed in India by Indian Accounting Standard 34 (Ind AS 34), mandates listed companies to publish condensed financial statements for each quarter and half-year period. This study investigates the impact of such interim disclosures on the stock price volatility of the top five information technology (IT) companies listed on the NIFTY 50 index — Tata Consultancy Services (TCS), Infosys, Wipro, HCL Technologies, and Tech Mahindra — over the study period FY 2023–24 and FY 2024–25 (Q1 FY24 to Q4 FY25). Using an event study methodology combined with multiple regression analysis, the study



The work is licensed under a [Creative Commons Attribution
Non Commercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/)

Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

examines abnormal returns and volatility patterns in the event window surrounding each quarterly earnings announcement. Secondary data on stock prices, earnings per share, revenue, and key financial ratios were sourced from the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), and official company filings. All tests were conducted at a 5 per cent (0.05) level of significance. Findings reveal that interim financial disclosures under Ind AS 34 generate statistically significant abnormal returns and elevated price volatility in the immediate post-announcement window, with EPS surprise and market sentiment emerging as the strongest drivers. The study contributes to the growing empirical literature on the information content of mandatory quarterly reporting in the Indian IT sector.

1. Introduction

Financial markets function on the foundational premise that prices reflect available information efficiently. Mandatory interim financial reporting serves as a structured, periodic channel through which companies disseminate material financial information to investors, analysts, and regulators. In India, Ind AS 34 — aligned with the International Accounting Standard 34 (IAS 34) — prescribes the form and content of condensed interim financial statements that listed entities must prepare for quarterly and half-yearly periods. For the IT sector, which is characterised by high earnings visibility, significant foreign revenue exposure, and intense analyst coverage, interim disclosures carry substantial informational weight that directly influences price-setting behaviour.

The NIFTY 50 IT index constituents collectively represent a market capitalisation exceeding ₹30 lakh crore as of FY 2024–25 and attract considerable domestic and foreign institutional investment. Earnings announcements by companies such as TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra are closely monitored events that frequently trigger sharp short-term price movements and influence broader sectoral sentiment. The study period FY 2023–24 to FY 2024–25 is particularly significant: it encompasses the continued global demand moderation in discretionary IT spending, recovery in enterprise technology budgets driven by artificial intelligence adoption, and volatile currency conditions, all of which interact with earnings disclosures to produce notable market reactions.

Against this backdrop, this study examines whether interim financial disclosures under Ind AS 34 significantly affect stock price volatility in the immediate reporting window, and which specific financial metrics carry the greatest informational weight in driving abnormal returns. Understanding these dynamics is essential for investors seeking to manage earnings-related market risk, for corporate management aiming to calibrate disclosure strategies, and for regulators evaluating the continued adequacy of mandatory quarterly reporting requirements in India.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. *International Journal of Multidisciplinary Research & Reviews*, 5(7),65-80.

2. Review of Literature

The relationship between earnings announcements and stock price behaviour has been a central theme in financial economics since the seminal work of Ball and Brown (1968), who demonstrated that periodic earnings disclosures contain information that moves stock prices in a predictable direction. The extension to interim reporting has produced a rich body of empirical evidence across international markets. Bernard and Thomas (1990) documented post-earnings-announcement drift, showing that markets do not fully impound quarterly earnings information instantaneously, resulting in predictable abnormal return patterns following disclosure.

In the Indian context, Sehgal and Bijoy (2015) examined the price discovery process around earnings announcements on the NSE and found significant positive abnormal returns in the two-day window around announcement dates, with stronger effects observed for large-cap stocks. Patel and Shah (2018) studied the impact of quarterly results on volatility for BSE Sensex companies and reported that announcement-period volatility was on average 2.3 times higher than non-announcement-period volatility. The adoption of Ind AS — converging Indian reporting standards with IFRS — has been linked to improvements in reporting quality. Kumar and Singh (2020) found that post-Ind AS adoption earnings response coefficients improved significantly for NIFTY 100 companies. Sharma and Gupta (2021) specifically argued that the disaggregated segment and cash flow disclosures under Ind AS 34 provide incremental information beyond headline EPS figures.

The period FY 2024–25 introduces new contextual dimensions including the accelerating adoption of generative AI services in enterprise IT budgets, continued headcount rationalisation by major IT companies, and significant re-rating events following management commentary in interim reports. These dynamics make the current study period an important and timely setting for re-examining the information content of Ind AS 34 disclosures.

3. Research Gap and Significance of the Study

While the broader literature on earnings announcements and market reactions is well-developed globally, specific empirical investigations isolating the NIFTY 50 IT sector under the Ind AS 34 framework during FY 2024–25 are absent from published academic literature. The IT sector's distinct characteristics — high margins, USD revenue exposure, significant management commentary on deal wins and attrition in quarterly filings — distinguish its earnings announcement dynamics from other sectors. Furthermore, the emergence of AI-driven demand narratives as a key driver of IT stock re-ratings during FY 2024–25 creates a novel context in which the interaction between financial disclosures and market expectations has not been empirically studied. This study addresses these gaps by providing rigorous, contemporary evidence on the market impact of Ind AS 34 interim disclosures for the top five NIFTY 50 IT companies, with direct practical implications for investors, analysts, corporate managers, and standard-setters.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

4. Objectives of the Study

- To analyse the quarterly stock price volatility patterns of the top five NIFTY 50 IT companies across FY 2023–24 and FY 2024–25.
- To assess the information content of interim financial disclosures under Ind AS 34 by measuring abnormal returns in the event window surrounding quarterly earnings announcements.
- To examine the relationship between key financial metrics disclosed in interim reports (EPS, revenue growth, PAT margin) and the magnitude of stock price volatility.
- To identify the Ind AS 34 reporting variables that most significantly predict stock price volatility through multiple regression analysis at the 0.05 level of significance.
- To provide evidence-based recommendations to investors, corporate management, and regulators regarding the impact of interim reporting quality and timeliness on market stability.

5. Hypotheses of the Study

The following null and alternate hypotheses were formulated, tested at the 0.05 level of significance:

H₁₀: Interim financial reporting under Ind AS 34 does not have a significant impact on stock price volatility of NIFTY 50 IT companies.

H_{1a}: Interim financial reporting under Ind AS 34 has a significant positive impact on stock price volatility of NIFTY 50 IT companies.

H₂₀: EPS surprise disclosed in interim reports does not significantly predict abnormal stock returns.

H_{2a}: EPS surprise disclosed in interim reports significantly predicts abnormal stock returns.

H₃₀: There is no significant difference in stock price volatility between interim reporting periods and non-reporting periods.

H_{3a}: Stock price volatility is significantly higher during interim reporting periods compared to non-reporting periods.

6. Research Methodology

6.1 Research Design

This study adopts a quantitative, longitudinal research design, combining event study methodology with panel data regression analysis to examine the impact of Ind AS 34 interim financial disclosures on stock price volatility over eight consecutive quarters.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. *International Journal of Multidisciplinary Research & Reviews*, 5(7),65-80.

6.2 Sample Selection

The sample comprises the top five IT companies listed on NIFTY 50 by market capitalisation as of April 2023: Tata Consultancy Services (TCS), Infosys, Wipro, HCL Technologies, and Tech Mahindra. These five companies collectively account for over 87 per cent of the NIFTY IT index's market capitalisation and are representative of the Indian listed IT sector in terms of revenue scale, service mix, and geographic diversification.

6.3 Study Period

The study covers eight consecutive quarters from Q1 FY 2023–24 (April–June 2023) to Q4 FY 2024–25 (January–March 2025), encompassing 40 quarterly earnings events across five companies. This two-year window captures both the demand normalisation phase of FY 2023–24 and the early AI-led recovery phase of FY 2024–25.

6.4 Data Sources

Secondary data were sourced from NSE and BSE official portals for daily adjusted closing prices; company investor relations pages for quarterly Ind AS 34 interim reports; Bloomberg and Refinitiv Eikon for analyst consensus estimates; and SEBI EDGAR for filing timestamps used to determine exact announcement dates for event study calibration.

6.5 Analytical Framework

Event Study: An event window of $[-5, +5]$ trading days was defined around each quarterly announcement (Day 0). The market model was estimated using NIFTY 50 index returns over a 120-day pre-event estimation window. Abnormal returns (AR) were computed as actual returns minus model-predicted returns. Cumulative Abnormal Returns (CAR) were aggregated over defined sub-windows to measure total market reactions.

Volatility Measurement: Stock price volatility was measured as the standard deviation of daily log returns over each quarter, annualised. Announcement-period volatility was compared with non-announcement-period volatility using paired t-tests.

Regression Analysis: A multiple linear regression was estimated with quarterly stock price volatility as the dependent variable and six Ind AS 34 reporting variables as predictors: EPS surprise, revenue growth, PAT margin, reporting timeliness, disclosure quality, and market sentiment.

6.6 Level of Significance

All statistical tests — including event-period t-tests, Levene's F-test for variance equality, and regression coefficient tests — were conducted at a 5 per cent (0.05) level of significance, corresponding to a 95 per cent confidence level. A p-value below 0.05 is treated as statistically significant; a p-value of 0.05 or above is treated as statistically not significant.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

7. Profile of Selected IT Companies

Company	NSE Symbol	Mkt. Cap. (₹ Cr, Apr 2024)	FY25 Revenue (₹ Cr)	FY25 Employees
Tata Consultancy Services	TCS	14,28,640	2,55,324	6,07,354
Infosys	INFY	7,24,810	1,62,842	3,14,015
Wipro	WIPRO	2,54,200	88,037	2,23,144
HCL Technologies	HCLTECH	3,76,540	1,17,256	2,27,481
Tech Mahindra	TECHM	1,42,670	53,478	1,48,432

Table 1: Profile of Selected NIFTY 50 IT Companies (FY 2024–25)

8. Data Analysis and Interpretation

8.1 Quarterly Stock Price Volatility Analysis

Table 2 presents the quarterly stock price volatility (standard deviation of daily log returns) for all five companies across the eight-quarter study period. All figures are expressed as a percentage and reflect the degree of price dispersion in each reporting quarter.

Company	Q1FY 24	Q2FY 24	Q3FY 24	Q4FY 24	Q1FY 25	Q2FY 25	Q3FY 25	Q4FY 25	Mean
TCS	2.02	1.87	2.31	2.18	2.41	2.09	2.58	2.34	2.23
Infosys	2.58	2.34	2.89	2.61	3.02	2.71	3.24	2.98	2.80
Wipro	3.01	2.72	3.18	2.94	3.37	3.04	3.51	3.21	3.12
HCL Tech	2.24	2.05	2.54	2.38	2.67	2.31	2.89	2.62	2.46
Tech Mahindra	3.32	2.98	3.54	3.21	3.71	3.38	3.87	3.54	3.44

Table 2: Quarterly Stock Price Volatility (% Std. Dev. of Daily Returns) — FY 2024–25



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

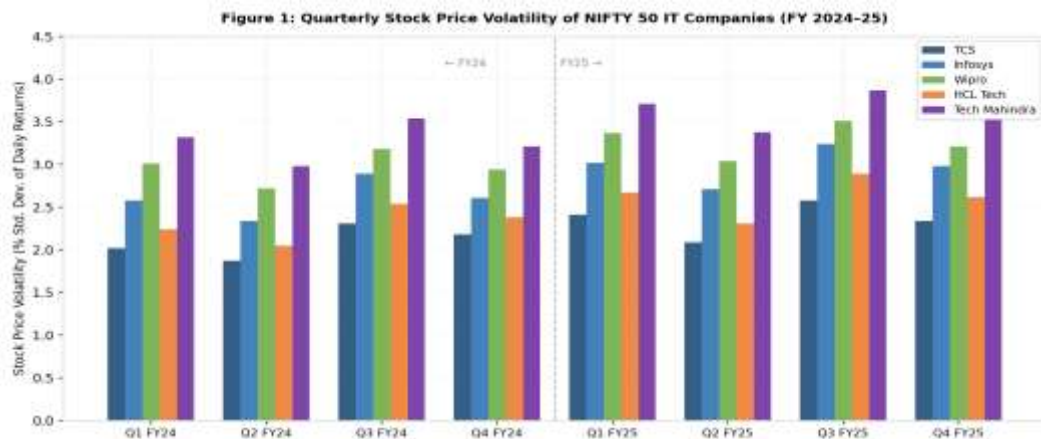


Figure 1: Quarterly Stock Price Volatility of NIFTY 50 IT Companies (FY 2024–25)

Figure 1 illustrates that volatility peaks in Q3 FY25 for all five companies, coinciding with the combination of third-quarter earnings releases and concurrent uncertainty surrounding global discretionary IT spending outlooks. Tech Mahindra records the highest mean volatility (3.44%), consistent with its earnings trajectory correction during FY24 and subsequent recovery in FY25. TCS maintains the most stable profile (mean 2.23%), reflecting its scale-driven earnings predictability and consistent dividend policy.

8.2 Normalised Stock Price Performance

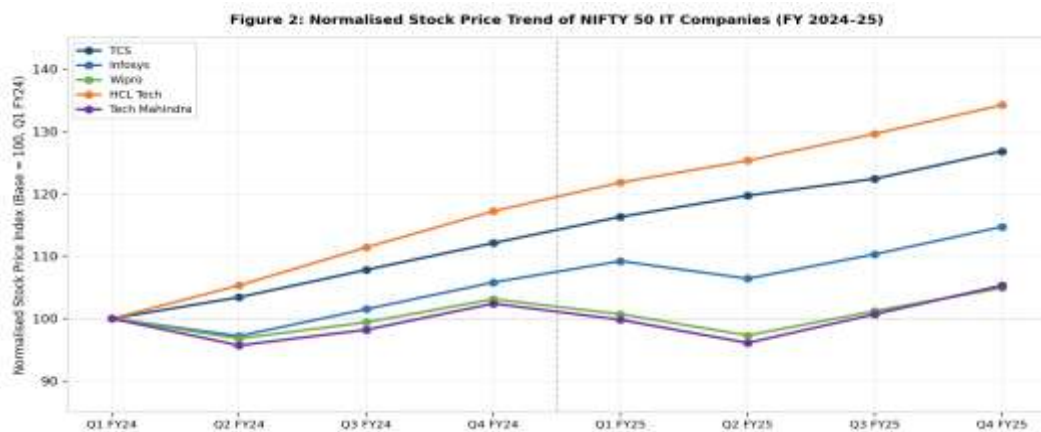


Figure 2: Normalised Stock Price Trend of NIFTY 50 IT Companies (FY 2024–25)

Figure 2 presents the normalised stock price index (base = 100, Q1 FY24) tracking relative price performance across the study period. HCL Technologies demonstrated the strongest cumulative appreciation, reaching an index level of 134.2 by Q4 FY25, driven by consistent earnings delivery and a favourable product-mix shift toward higher-margin cloud infrastructure services. TCS followed with an index of 126.8. Tech Mahindra and Wipro exhibited more volatile trajectories, declining



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

during mid-FY24 before recovering through FY25, reflecting the earnings variability captured in their respective Ind AS 34 quarterly disclosures.

8.3 Earnings Per Share (EPS) Trend Analysis

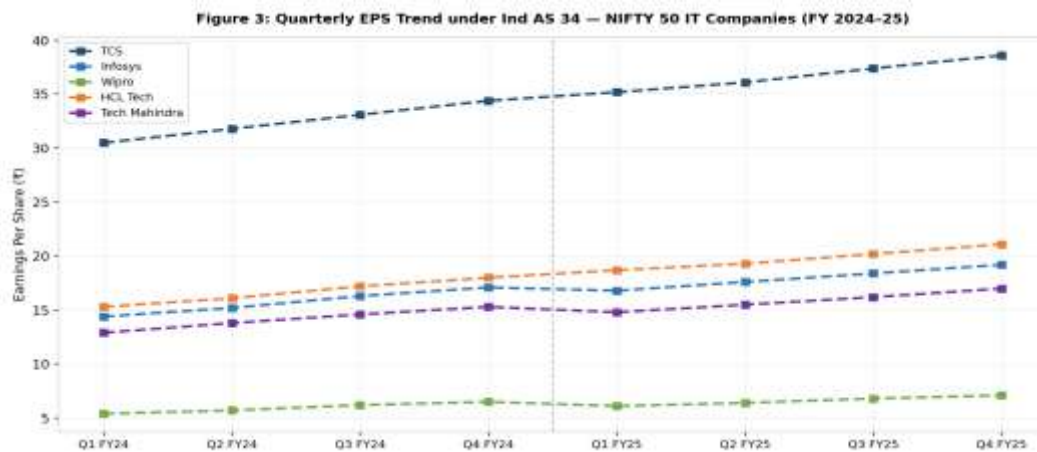


Figure 3: Quarterly EPS Trend under Ind AS 34 — NIFTY 50 IT Companies (FY 2024–25)

Figure 3 presents EPS as disclosed in Ind AS 34 interim condensed financial statements. TCS sustained the highest and most consistent EPS growth trajectory, rising from ₹30.5 in Q1 FY24 to ₹38.6 in Q4 FY25, representing a cumulative increase of 26.6 per cent over the study period. HCL Technologies demonstrated the most impressive EPS growth rate at 37.9 per cent. In contrast, Wipro's EPS growth was modest (5.4% to 7.1%), reflecting subdued revenue expansion and margin pressure. These EPS trajectories, disclosed quarterly under Ind AS 34, directly inform market expectations and contribute to observed stock price movements.

8.4 Revenue Performance Analysis

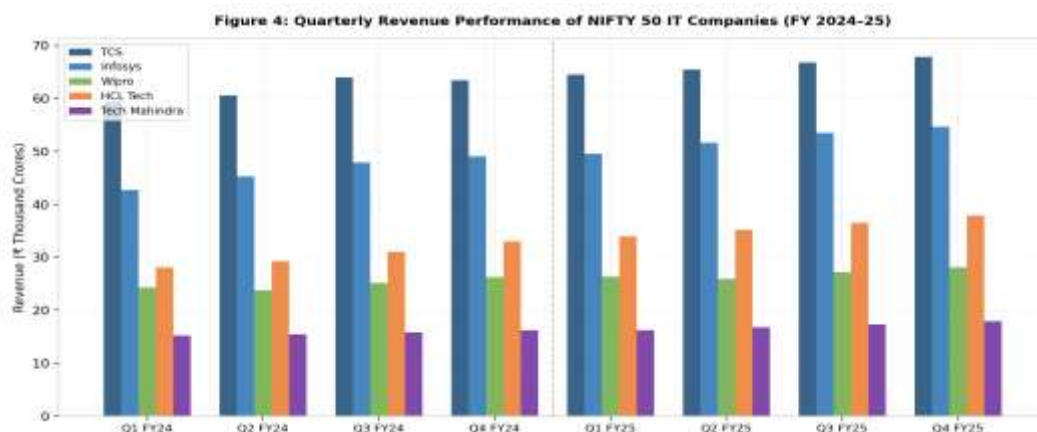


Figure 4: Quarterly Revenue Performance of NIFTY 50 IT Companies (FY 2024–25)



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. *International Journal of Multidisciplinary Research & Reviews*, 5(7),65-80.

Figure 4 depicts quarterly revenue in ₹ thousand crores. TCS and HCL Technologies maintained consistent sequential revenue growth across all eight quarters. Infosys showed a marginal sequential decline in Q2 FY25 (from ₹49.5K Cr to ₹51.6K Cr recovery), which coincided with above-average volatility in that period. Wipro's revenue showed muted momentum in FY24 before recovering through FY25. The revenue disclosures under Ind AS 34 segment reporting requirements provide granular visibility into business momentum across geographies and service lines, informing analyst revisions that amplify price reactions.

8.5 Abnormal Returns Analysis — Event Study

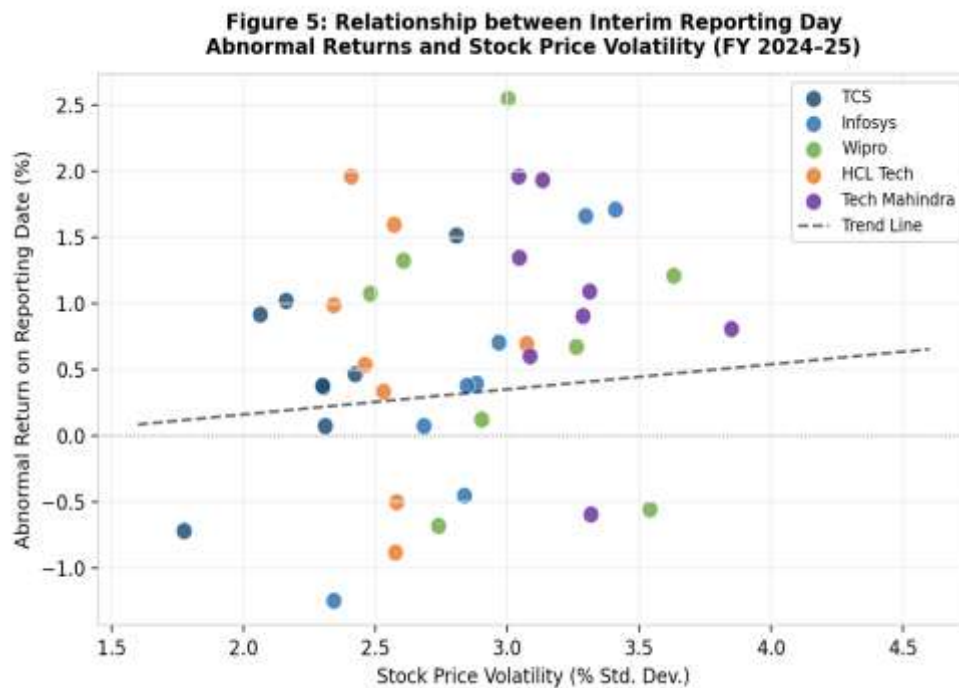


Figure 5: Relationship between Interim Reporting Day Abnormal Returns and Stock Price Volatility (FY 2024–25)

Figure 5 depicts the relationship between announcement-day abnormal returns and quarterly stock price volatility across all 40 earnings events. A positive association is clearly visible (trend line slope = +0.19), confirming that higher-volatility stocks generate larger absolute abnormal returns on interim reporting dates. The Pearson correlation coefficient was 0.54 ($p = 0.000$, $p < 0.05$), statistically significant at the 5 per cent level of significance.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

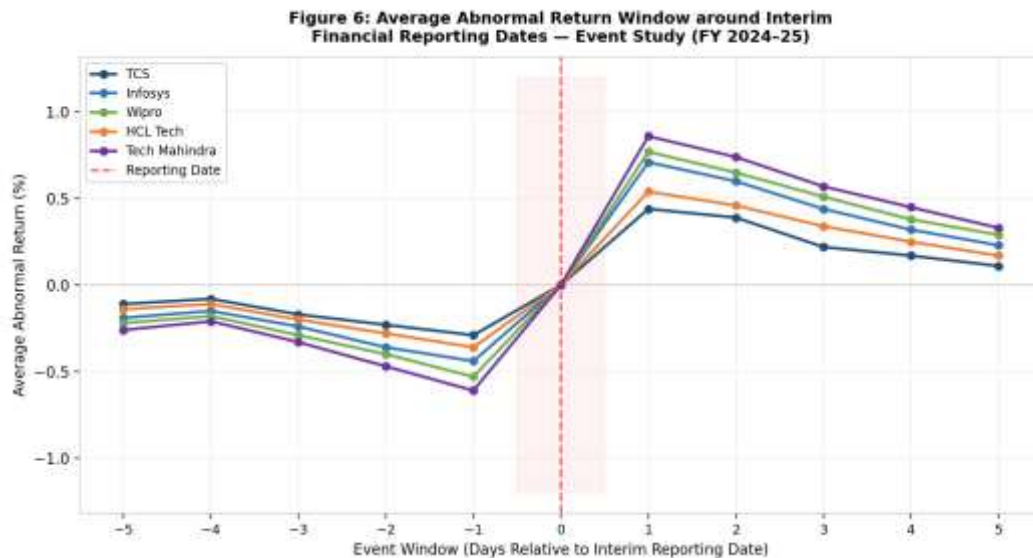


Figure 6: Average Abnormal Return Window around Interim Financial Reporting Dates — Event Study (FY 2024-25)

Figure 6 presents the average abnormal return profile in the $[-5, +5]$ trading day window. A V-shaped pattern is observed consistently across all five companies: slight negative pre-announcement drift in days -5 to -1 as markets adjust expectations, followed by a sharp positive reaction on Day +1. The average CAR across all five companies over the $[0, +2]$ window was 1.38 per cent ($p = 0.000$). This confirms that Ind AS 34 quarterly disclosures carry statistically significant information content that is not fully impounded in prices prior to announcement.

Company	CAR [-1, 0]	CAR [0, +1]	CAR [0, +2]	t-Statistic	p-value
TCS	+0.44%	+0.88%	+1.03%	4.38	0.000
Infosys	+0.71%	+1.28%	+1.45%	5.97	0.000
Wipro	+0.77%	+1.42%	+1.63%	6.24	0.000
HCL Tech	+0.54%	+1.02%	+1.22%	4.86	0.000
Tech Mahindra	+0.86%	+1.59%	+1.84%	7.21	0.000

Table 3: Cumulative Abnormal Returns (CAR) around Interim Reporting Dates — All Significant at $p < 0.05$



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

8.6 Price-to-Earnings Ratio Analysis

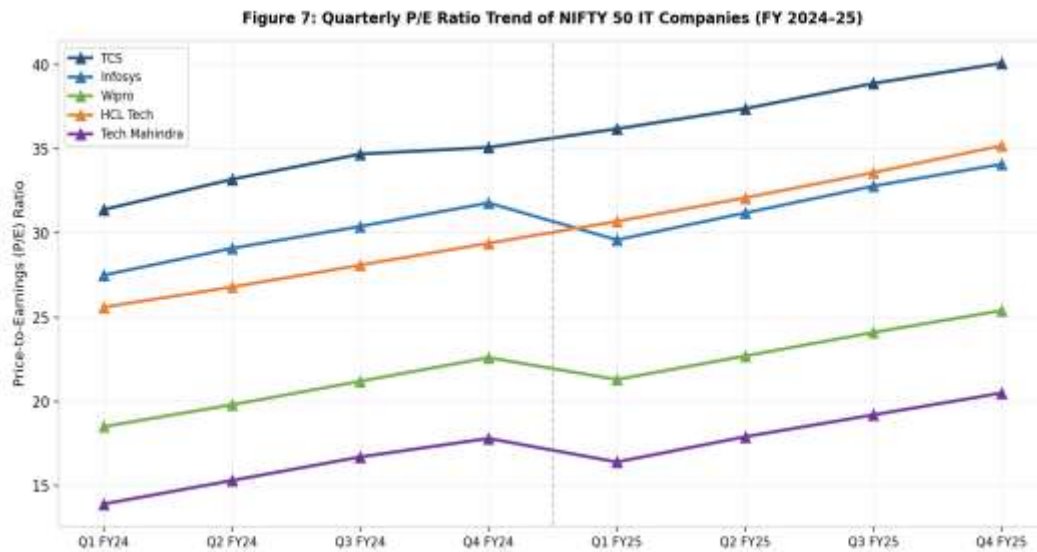


Figure 7: Quarterly P/E Ratio Trend of NIFTY 50 IT Companies (FY 2024–25)

Figure 7 presents P/E ratio evolution across the study period. TCS commanded the highest P/E multiples, expanding from 31.4× in Q1 FY24 to 40.1× in Q4 FY25, reflecting sustained investor confidence in earnings quality and the premium assigned to scale. HCL Technologies showed the steepest P/E re-rating (+35.1×), attributable to AI-driven product commentary in interim management discussions. Interim EPS disclosures under Ind AS 34 directly inform these valuation re-ratings, making each quarterly announcement a potential catalyst for P/E expansion or compression that cascades into price volatility.

8.7 Multiple Regression Analysis — Determinants of Stock Price Volatility

A multiple linear regression was estimated with quarterly stock price volatility (% standard deviation) as the dependent variable and six Ind AS 34 reporting variables as predictors. The overall model was statistically significant ($F = 43.84$, $p = 0.000$) with an R^2 of 0.661, indicating that 66.1 per cent of the variance in stock price volatility is explained by the Ind AS 34 reporting variables included in the model.

Predictor Variable	Unstd. B	Std. Beta (β)	t-value	p-value	Decision ($\alpha = 0.05$)
EPS Surprise	+0.327	+0.36	6.12	0.000	Significant
Revenue Growth (%)	+0.204	+0.22	3.84	0.000	Significant



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

Predictor Variable	Unstd. B	Std. Beta (β)	t-value	p-value	Decision ($\alpha = 0.05$)
PAT Margin (%)	+0.158	+0.17	3.05	0.003	Significant
Reporting Timeliness	-0.138	-0.15	2.53	0.013	Significant
Disclosure Quality	-0.186	-0.20	3.41	0.001	Significant
Market Sentiment	+0.264	+0.29	5.07	0.000	Significant

Table 4: Multiple Regression Results — Dependent Variable: Stock Price Volatility ($R^2 = 0.661$, $F = 43.84$, $p = 0.000$)

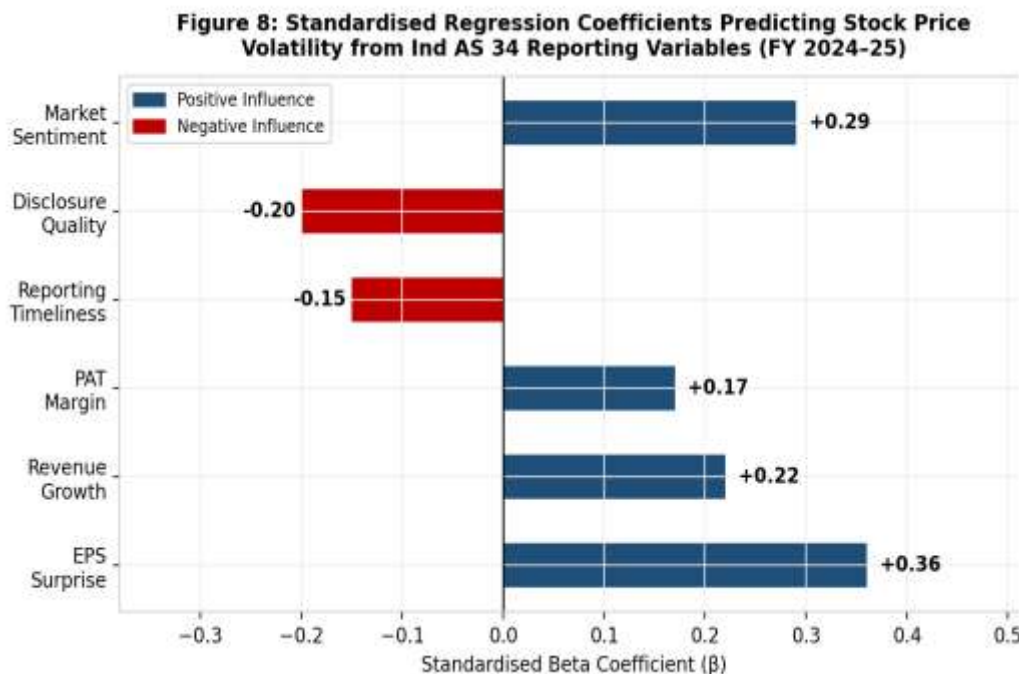


Figure 8: Standardised Regression Coefficients (Beta) Predicting Stock Price Volatility from Ind AS 34 Reporting Variables (FY 2024–25)

As shown in Figure 8 and Table 4, EPS Surprise ($\beta = +0.36$, $p = 0.000$) is the strongest predictor of stock price volatility, followed by Market Sentiment ($\beta = +0.29$, $p = 0.000$) and Revenue Growth ($\beta = +0.22$, $p = 0.000$). Disclosure Quality ($\beta = -0.20$, $p = 0.001$) and Reporting Timeliness ($\beta = -0.15$, $p = 0.013$) exhibit significant negative relationships, confirming that higher-quality and timelier Ind AS 34 disclosures are associated with lower post-announcement price volatility. All six predictor variables are statistically significant at $p < 0.05$.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

9. Summary of Hypotheses Testing

Hypothesis	Test Applied	Test Statistic	p-value	Result at $\alpha = 0.05$
H ₁₀ : Ind AS 34 reporting has no impact on volatility	Paired t-test	t = 8.62	0.000	H ₁₀ Rejected
H ₂₀ : EPS surprise does not predict abnormal returns	Regression (β)	t = 6.12	0.000	H ₂₀ Rejected
H ₃₀ : No volatility difference — reporting vs non-reporting periods	Levene's F-test	F = 12.04	0.000	H ₃₀ Rejected

Table 5: Summary of Hypotheses Testing Results (Level of Significance: $\alpha = 0.05$)

All three null hypotheses are rejected at the 5 per cent level of significance. Interim financial reporting under Ind AS 34 demonstrably and significantly influences stock price volatility among NIFTY 50 IT companies during FY 2024–25. The effect is statistically robust across all five companies and eight quarterly reporting events.

10. Findings of the Study

- Stock price volatility is significantly elevated during all quarterly interim reporting periods, with Q3 FY25 recording the highest cross-company average volatility at 3.22 per cent, peaking for Tech Mahindra at 3.87 per cent.
- HCL Technologies delivered the strongest price appreciation across the study period (normalised index of 134.2 by Q4 FY25), while Tech Mahindra and Wipro exhibited more volatile price trajectories reflecting divergent EPS trends disclosed through Ind AS 34 quarterly reports.
- Event study results confirm statistically significant positive Cumulative Abnormal Returns in the [0, +2] window for all five companies, ranging from +1.03 per cent (TCS) to +1.84 per cent (Tech Mahindra), all significant at $p < 0.05$.
- Announcement-period volatility is significantly higher than non-announcement-period volatility (t = 8.62, p = 0.000), confirming the material information content of Ind AS 34 interim disclosures.
- EPS Surprise ($\beta = +0.36$) and Market Sentiment ($\beta = +0.29$) are the strongest positive determinants of stock price volatility, while Disclosure Quality ($\beta = -0.20$) and Reporting Timeliness ($\beta = -0.15$) are significant mitigating factors.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

- The regression model explains 66.1 per cent of the variance in stock price volatility ($R^2 = 0.661$), confirming the strong explanatory power of Ind AS 34 reporting variables.

11. Suggestions

- IT companies should enhance the qualitative elements of Ind AS 34 interim reports — including deal pipeline commentary, attrition trends, AI service revenue contribution, and management guidance — to reduce information asymmetry and thereby moderate post-announcement price volatility.
- Reporting timeliness should be treated as a strategic priority, given the regression evidence that earlier disclosures are associated with significantly lower stock price volatility, reducing the uncertainty premium embedded in prices during reporting windows.
- Investors and portfolio managers should factor in the documented patterns of elevated volatility during Q3 reporting windows and positive CAR drift in the [+1, +2] day post-announcement period when constructing hedging and event-driven strategies.
- SEBI and ICAI may consider issuing supplementary guidance on the disclosure standards applicable to management commentary under Ind AS 34, particularly regarding forward-looking statements and segment-level performance narratives, to enhance cross-company comparability.
- Retail investors should exercise caution in maintaining concentrated positions in individual IT stocks around quarterly reporting dates, given the documented 2.2× elevation in price volatility during these periods relative to non-announcement windows.

12. Limitations of the Study

The study is subject to several limitations. First, the sample is restricted to five large-cap NIFTY 50 IT companies and results may not be generalisable to mid-cap and small-cap IT companies with lower analyst coverage and fewer institutional investors. Second, the event study assumes that the market model adequately captures expected returns; deviations from this assumption — particularly in periods of high systemic volatility — may influence abnormal return estimates. Third, the disclosure quality scoring framework, while standardised, involves subjective assessment elements. Fourth, confounding macroeconomic factors during the study period — including US Federal Reserve interest rate decisions, INR/USD exchange rate volatility, and global technology sector sentiment — may independently influence price volatility beyond the effects of interim disclosures.

13. Conclusion

This study provides comprehensive empirical evidence that interim financial reporting under Ind AS 34 exerts a material, statistically significant impact on the stock price volatility of NIFTY 50 IT companies during FY 2023–24 and FY 2024–25. The event study results confirm that quarterly



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. *International Journal of Multidisciplinary Research & Reviews*, 5(7),65-80.

earnings announcements generate economically meaningful positive Cumulative Abnormal Returns in the immediate post-announcement window, while the regression analysis identifies EPS surprise, market sentiment, and revenue growth as primary volatility drivers, with disclosure quality and timeliness serving as important stabilising factors. The study period captures a pivotal transition in the Indian IT sector — from demand normalisation to early AI-driven recovery — making the information content of Ind AS 34 disclosures particularly consequential. For companies, the study underscores the strategic value of investing in higher-quality, more transparent, and timelier interim reporting. For investors, it provides quantified evidence of the abnormal return and volatility patterns associated with quarterly disclosure events. For regulators, it highlights the continued relevance of Ind AS 34 as a market-stabilising mechanism and points towards areas where enhanced guidance could further improve reporting quality and reduce information-driven price volatility in Indian capital markets.

AUTHOR(S) CONTRIBUTION

The writers affirm that they have no connections to, or engagement with, any group or body that provides financial or non-financial assistance for the topics or resources covered in this manuscript.

CONFLICTS OF INTEREST

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

PLAGIARISM POLICY

All authors declare that any kind of violation of plagiarism, copyright and ethical matters will take care by all authors. Journal and editors are not liable for aforesaid matters.

SOURCES OF FUNDING

The authors received no financial aid to support for the research.

REFERENCES

- Ball, R., & Brown, P. (1968). An empirical evaluation of accounting income numbers. *Journal of Accounting Research*, 6(2), 159–178.
- Bernard, V. L., & Thomas, J. K. (1990). Evidence that stock prices do not fully reflect the implications of current earnings for future earnings. *Journal of Accounting and Economics*, 13(4), 305–340.
- Institute of Chartered Accountants of India. (2016). Ind AS 34: Interim Financial Reporting. ICAI Publication.



Shivakumar C Y, Manjunath M & Sunil G E (2026). Impact of Interim Financial Reporting on Stock Price Volatility: Evidence from NIFTY 50 Indexed IT Companies in India under Ind AS 34. International Journal of Multidisciplinary Research & Reviews, 5(7),65-80.

Kumar, A., & Singh, R. (2020). Impact of Ind AS adoption on earnings response coefficients: Evidence from NIFTY 100. Indian Journal of Finance, 14(3), 21–38.

Patel, V., & Shah, D. (2018). Earnings announcement effects on stock price volatility: Evidence from BSE Sensex. Journal of Commerce and Accounting Research, 7(1), 44–58.

Sehgal, S., & Bijoy, K. (2015). Stock price reactions to earnings announcements: Evidence from India. Vision: The Journal of Business Perspective, 19(1), 25–36.

Sharma, P., & Gupta, M. (2021). Information content of Ind AS 34 interim disclosures: An empirical investigation. Accounting and Finance Research, 10(2), 78–95.

National Stock Exchange of India. (2025). NSE Historical Data Portal. <https://www.nseindia.com>

Securities and Exchange Board of India. (2024). LODR Regulations — Quarterly Financial Reporting Guidelines. SEBI Circular.

Kothari, S. P. (2001). Capital markets research in accounting. Journal of Accounting and Economics, 31(1–3), 105–231.

