BETWEEN CREDITOR PRIMACY AND INVESTOR PROTECTION: ARE MINORITY SHAREHOLDERS THE FORGOTTEN STAKEHOLDERS IN INSOLVENCY-DRIVEN DELISTING UNDER THE IBC?

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ABSTRACT

The increasing incidence of listed companies undergoing the Corporate Insolvency Resolution Process under the Insolvency Bankruptcy Code, 2016 (IBC) has brought into sharp focus, the intersection between insolvency law and securities regulation. While the IBC is founded upon principles of creditor primacy, value maximization and timely resolution, securities regulation seeks to protect investor interests through procedural safeguards governing corporate restructuring and delisting. The regulatory exemptions introduced by the Securities Exchange Board of India for delisting pursuant to approved resolution plans reflect an attempt to reconcile these exemptions also result in dilution of traditional shareholder protections, including meaningful participation in decision-making and market based pre-discovery mechanisms.

The article examines whether the existing IBC-SEBI framework strikes an appropriate balance between efficient corporate rescue and the protection of minority shareholders in listed entities undergoing insolvency resolution. Through a doctrinal analysis of the statutory framework, judicial precedents and selected insolvency-driven delisting transactions, the article evaluates the extent to which minority shareholders are accommodated with the contemporary resolution process. It argues that although creditor primacy remains indispensable to the effectiveness of the insolvency regime , the present framework leaves important gaps in procedural protection of minority shareholders. The article concludes by exploring whether targeted safeguards can be incorporated without undermining the objectives of timely and value-maximizing resolution.

Keywords: Insolvency and Bankruptcy code, Delisting, Minority Shareholders, CIRP, SEBI, Creditor Primacy.

1. Introduction

The enactment of the Insolvency and Bankruptcy Code, 2016(IBC) marked a paradigm shift in India's corporate restructuring landscape, replacing a fragmented debtor friendly regime with a time-bound , creditor-centric framework. While the initial years of the IBC primarily saw the resolution of closely-held private entities, recent trends highlight a significant growth of large, public listed companies entering the Corporate Insolvency Resolution Process(CIRP), such as Dewan Housing Finance Corporation Ltd and Reliance Communications limited. According to the data from the Insolvency and Bankruptcy Board of India(IBBI), thousands of corporate debtors have been steered into insolvency proceedings, forcing the market to confront the practical reality of insolvency -driven delisting.[1] When a listed company falls deep into default, its corporate rescue plan frequently necessitates either a drastic capital reduction or a complete squeezing out of public equity , culminating in compulsory delisting from stock exchanges as a prerequisite for revival.

This operational reality exposed a profound systemic tension between the core objectives of insolvency law and the foundational tenets of securities regulation. The IBC adopts a creditor-centric framework in which the Committee of Creditors plays a decisive role in the resolution process. The Committee of Creditors(COC) exercises primary commercial decision -making authority during the resolution process, and its commercial wisdom has consistently been accorded judicial deference , maximizing asset value and rescuing the corporate debtor, placing equity shareholders at the bottom of the priority waterfall under Section 53 of the IBC.[2] In contrast, the securities law-governed by the Securities Exchange Board Of India – is built entirely around investor protection, demanding market integrity, transparency, strict disclosures and equitable treatment for minority public shareholders. When a listed entity undergoes CIRP , these two regulatory philosophies directly collide: the urgent economic necessity to swiftly restructure debt stands at loggerheads with the statutory duty to preserve the economic rights and exit pathways of small investors.[3]

The significance of this conflict extends beyond the interests of individual investors. Public

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[1] I*nsolvency and Bankruptcy Board of India (IBBI) Quarterly Newsletter*, Section on "Corporate Insolvency Resolution Process," available at https://ibbi.gov.in/ (citing total cumulative admissions and listed corporate entities entering CIRP). https://ibbi.gov.in//uploads/whatsnew/62bde7e8797a6a91abc577742098b840.pdf

[2] *Insolvency and Bankruptcy Code, No. 31 of 2016, § 53 (India*).see also *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 S.C.C. 531.*

[3] *Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2021) 1 SCC 1 .*

shareholders in listed companies are not merely residual claimants in the corporate capital structure; they are also participants in the securities market whose confidence underpins broader objectives of the market integrity, transparency ,and investor protection. Consequently, the manner in which insolvency laws treats minority shareholders during corporate restructuring carries implications not only for the affected company but also for the credibility of the capital markets framework as a whole.

To prevent regulatory deadlocks and facilitate rapid corporate revivals, SEBI introduced specific insolvency related exemptions under its Delisting Regulations.[4] While these carve-outs successfully streamline the CIRP by bypassing traditional, time consuming requirements -such as the reverse book-building process- they simultaneously dilute or eliminate fundamental minority shareholder safeguards, including fair market price discovery and meaningful corporate participation. This dynamic prompts the central research question of this article: whether the current IBC-SEBI regulatory framework appropriately balances efficient corporate insolvency resolution with the equitable protection of minority shareholders? Accordingly , this article examines the interface between insolvency and securities regulation by analyzing the statutory framework governing insolvency-driven delisting, the judicial development of creditor primacy , and the practical treatment of minority shareholders in selected resolution transactions. It argues that although creditor primacy remains indispensable to the effectiveness of the IBC, the existing framework leaves unresolved questions regarding the adequacy of procedural safeguards available to minority shareholders. The article concludes by considering whether limited procedural reforms can better efficient corporate rescue with the investor-protection objectives of securities regulation.

2. The Shift From Shareholding Primacy to Creditor Primacy Under The IBC.

The Insolvency and Bankruptcy Code,2016(IBC) marked a fundamental departure from India's earlier fragmented insolvency framework by establishing a collective and creditor-centric resolution regime. Under traditional corporate governance principles, companies are generally managed with a view to maximizing shareholder value, reflecting the notion of shareholder primacy. Insolvency, however alters this paradigm. Once a company becomes

[4] Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, Reg. 3(3). (which explicitly exempts any delisting executed pursuant to a resolution plan approved under Section 31 of the IBC from standard public exit price obligations).

financially distressed, the focus of the law shifts from protecting equity interests to preserving enterprise value and safeguarding the interests of creditor whose capital remains at risk. The IBC embodies the transition by prioritizing the rescue of corporate debtor as a going concern and facilitating value maximization through a time-bound resolution process. In doing so, the code recognizes that the premature liquidation of distressed businesses often results in substantial value destruction, adversely affecting creditors , employees, suppliers, and the broader economy. Consequently, the Insolvency framework subordinates traditional shareholder interests in favor of a broader objective of corporate rehabilitation and economic efficiency, this was held in Swiss Ribbons Pvt. Ltd. v. Union of India[5], this judicial endorsement of creditor primacy provides the conceptual foundation for the resolution framework established under the IBC. The implications of this approach become particularly significant where the resolution of a listed company results in substantial alteration or extinguishment of existing shareholders.

The operationalization of this creditor-centric model is achieved through the institutional architecture of the CIRP. Upon commencement of insolvency proceedings , the management and commercial control of the corporate debtor shifts to Committee of Creditors , which occupies a central position within the statutory framework under Sections 21,30 and 31 of the IBC. The Supreme Court has consistently emphasized that the commercial wisdom of the COC is entitled to substantial judicial deference,[6] given that financial creditor are best placed to evaluate the feasibility and viability of a resolution plan. Accordingly, once a resolution plan satisfies the requirements prescribed under Section 30(2) and receives the requisite approval of the COC, the scope of judicial intervention by the Adjudicating Authority remains limited[7]. This framework grants creditors a dominant role in determining the future of the corporate debtor, including decisions relating to capital restructuring, dilution of existing shareholding, and alterations to the ownership structure. Shareholders, by contrast, remain largely outside the decision-making process and possess no equivalent voting power in the formulation or approval of a resolution plan.

The legal subordination of shareholders finds its strongest expression in the priority framework embodied in Section 53 of the IBC. Although Section 53 formally governs assets

[5] *Swiss Ribbons Pvt. Ltd. v. Union of India, (2019) 4 SCC 17, at 27–28, 76 (India).*
[6] *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 SCC 531, at 73–75 (India).*
[7] *K. Sashidhar v. Indian Overseas Bank,* (2019) 12 SCC 150, at 52–55; *Insolvency and Bankruptcy Code, No. 31 of 2016, § 30-31*

distribution during liquidation, the supreme court in Committee of Creditors of Essar Steel India Ltd v Satish Kumar Gupta held[8] that this hierarchy significantly influences stakeholder expectations and valuation outcomes during the resolution process as well. By recognizing the relevance of liquidation value and priority principles in resolution, the court recognized that the priority reflected in Section 53 remains relevant while assessing the fairness of a resolution plan, particularly where stakeholders who would receive no value in liquidation are allocated no value under the plan. Equity shareholders occupy the lowest position in the statutory waterfall and are entitled to receive value only after the claims of all superior stakeholders have been satisfied. This approach reflects the fundamental principle of corporate finance that equity constitutes residual risk capital: shareholders enjoy the potential upside of corporate success but bear the ultimate risk of loss in situations of financial distress. As a result, where the enterprise value of a distressed company is insufficient to satisfy creditor claims, resolution plans may allocate little or no value to existing equity holders. While this outcome may be economically consistent with the creditor-centric design of the IBC, its implications become considerably more complex in the context of listed companies, where dispersed public shareholders are also beneficiaries of securities law protections. The intersection of these competing regulatory objectives becomes particularly pronounced when insolvency resolution culminates in the delisting of a listed entity, thereby raising important questions regarding the extent to which minority shareholder interests are accommodated within the existing framework. Unlike financial creditors, shareholders neither participate in the Committee of Creditors nor process any statutory right to approve or reject a resolution plan.

3. Delisting Under Securities Law: The Normal Shareholder Protection Framework.

A. *Objectives of Delisting Regulation*

While the IBC adopts a creditor-centric approach to corporate distress, securities regulation approaches changes in corporate structure through the lens of investor protection and market integrity. Unlike insolvency law, which prioritizes value maximization and corporate rescue, the securities law framework seeks to ensure that public investors are treated fairly when fundamental changes affect the nature of their investment. This distinction becomes particularly evident in regulatory framework governing delisting. Under the Securities and

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Exchange board of India (Delisting of Equity Shares) Regulations,2021, the delisting framework is designed to advance three interrelated goals: investor protection, market fairness, and the provision of a fair exit opportunity to public shareholders. Investors protection seeks to safeguard dispersed public shareholders who typically possess limited bargaining power and access to information. Market fairness is promoted by ensuring that controlling shareholders or acquirer do cannot unilaterally determine the terms of delisting to the detriment of minority investors. Equally important is the objective of providing an exit opportunity, recognizing that liquidity and public tradability constitutes essential attributes of listed securities. Collectively, these objectives reflect the broader regulatory commitment of securities law towards transparency, fairness and investor confidence in capital markets.[9]

B. Safeguards in ordinary delisting

To give effect to these objectives, the delisting framework incorporates a series of procedural safeguards intended to protect shareholder interests. Delisting is not treated as a purely managerial or promoter-driven decision; rather it is subject to regulatory oversight and shareholder involvement. The requirement of shareholder approval ensures that delisting is not imposed solely at the instance of promoter or acquirers. Before a company can be removed from public trading, ensuring that public investors retain a meaningful role in decisions affecting the status of their investments. In addition, the regulations incorporate mechanisms aimed at facilitating fair price discovery and providing shareholders with a reasonable exit opportunity. Disclosure requirements further promote transparency by requiring shareholders to be informed of the rationale for delisting and the terms on which the exit is being offered. Through these safeguards, the delisting process seeks to balance the interests of controlling shareholders with those of dispersed public investors while maintaining confidence in the integrity of the securities market[10]

C. Why these Safeguards Matter.

The significance of these safeguards stems from the structural characteristics of public ownership. Minority shareholders in listed companies typically hold fragmented interests ,lack

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[9] Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, Preamble and regulatory framework.

[10] Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, reg. 22.

representation in management, and possess limited influence over corporate decision -making. In such circumstances, procedural protections become essential mechanisms for mitigating information asymmetries and preventing unfair outcomes. The requirement of shareholder participation, transparent valuation processes, and an equitable exit opportunity reflects the recognition that delisting fundamentally alters the nature of the investment relationship by removing public market liquidity and access. Accordingly, the securities law framework seeks not merely to facilitate corporate transactions, but also to ensure that shareholders are treated fairly when a company ceases to remain publicly listed. These safeguards therefore serve an important regulatory function by promoting investor confidence, market transparency, and the equitable treatment of public shareholders.[11] However, these safeguards do not operate in the same manner where delisting occurs pursuant to a resolution plan approved under the IBC. The insolvency framework creates a distinct regulatory pathway that substantially modifies the application of the ordinary delisting regime.

4. Delisting through resolution plans: The IBC-SEBI interface

A. The Insolvency Exemption under the delisting framework.

The shareholder-centric safeguards that characterizes the ordinary delisting framework undergo significant modification when a listed company enters the corporate Insolvency Resolution Process. Recognizing the need for a swift and effective restructuring mechanism, SEBI introduced specific exemptions for delisting undertaken pursuant to an approved resolution plan. Consequently, the provisions governing ordinary voluntary delisting do not apply where the delisting forms part of a resolution plan approved by the Adjudication Authority under Section 31 of the IBC[12].The rationale behind this exemption was also reflected in SEBI’s regulatory deliberations, which recognized that subjecting companies undergoing CIRP to the ordinary listing process could impede the timely implementation of resolution plans and undermine the objective of value-maximizing corporate rescue.[13]

The rationale behind this exemption is closely linked to the objectives of the insolvency

[11] Securities and Exchange Board of India Act, 1992, § 11 (SEBI's mandate to protect investor interests and regulate the securities market); SEBI (Delisting of Equity Shares) Regulations, 2021.

[12] Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, reg. 3(2); Insolvency and Bankruptcy Code, No. 31 of 2016, § 31 (India).

[13] SEBI, Consultation Paper on Corporate Insolvency Resolution Process (CIRP) of Listed Companies under the Insolvency and Bankruptcy Code, 2016 (2018) *(or the consultation paper/circular relied upon regarding the insolvency delisting amendments).*

regime. Subjecting a financially distressed corporate debtor to the procedural requirements of ordinary delisting could delay the implementation of a resolution plan, increase transaction costs, and discourage prospective resolution applicants from participating in the process. By creating a separate pathway for insolvency-related delisting, the regulatory framework seeks to facilitate corporate rescue while preserving the time-bound nature of the CIRP and maximizing the prospects of successful resolution.

B. *How Insolvency Delisting Differs from Ordinary Delisting.*

Although both ordinary delisting and insolvency-driven delisting ultimately result in the removal of a company's securities from public trading, the two mechanisms differ substantially in their underlying processes and stakeholder participation. Under the standard delisting framework, shareholders are afforded procedural protections through approval requirements, disclosure obligations and mechanisms intended to facilitate fair price discovery and an informed exit opportunity.[14] In contrast, the future of the corporate debtor during CIRP is determined through the resolution process prescribed under the IBC. The Committee of Creditors, exercising its commercial assessment of the feasibility and viability of a resolution plan, occupies the central -decision- making role , while shareholders do not enjoy a comparable participatory position within the process. Further, the valuation considerations applicable during insolvency differ significantly from the market-oriented principles that ordinarily govern delisting transactions. In practice, the value available to equity shareholders is often influenced by the priority structure reflected in Section 53 of the IBC and the financial realities of a distressed enterprise. Consequently, existing shareholders may receive little or no value under a resolution plan where the enterprise value is insufficient to satisfy superior claims, reflecting the creditor-centric orientation of the insolvency framework.

C. The Emerging Regulatory Tension

The coexistence of these two regulatory approaches gives rise to a significant institutional tension. On one hand, the IBC seeks to maximize enterprise value, preserve economically viable businesses, and ensure timely resolution of financial distress. On the other hand, Section 11(1) of the SEBI Act ,1992 is designed to protect the interests of investors and regulate the securities market, which in turn supports investor confidence, market

[14] Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, regs. 11–24.

transparency and the equitable treatment of public shareholders. Insolvency-related delisting represents a point at which these objectives intersect and occasionally diverge. While the exemption framework undoubtedly enhances the efficiency and predictability of the resolution process, it simultaneously reduces the role traditionally played by shareholder approval, market-based price discovery, and other investor -protection safeguards. This has generated an important regulatory debate regarding the extent to which the objectives of insolvency law justify departures from the procedural safeguards ordinarily guaranteed under securities regulation. The issue is not whether shareholders should displace creditors within the insolvency hierarchy, rather it is whether minority shareholders should retain certain procedural protections when the resolution process culminates in the compulsory delisting of a listed entity. It is this unresolved question that lies at the heart of the IBC-SEBI interface and forms the basis for assessing whether the present framework strikes an appropriate balance between efficient resolution and investor protection.

5. Insolvency – Driven Delistings in Practice: What the Resolution Plans Reveal

The practical consequences of the IBC-SEBI framework can be observed through the treatment of public shareholders in listed companies undergoing insolvency resolution. A notable illustration is the resolution of Electro steel Steels Limited, where the resolution plan approved in favor of Vedanta Limited resulted in a comprehensive restructuring of the company's capital structure and extinguishment of existing public equity. The case illustrates how the position of existing shareholders changes fundamentally once a listed company becomes balance-sheet insolvent and enters the resolution process. Since the enterprise value was insufficient to satisfy claims ranking above equity, no meaningful value accrued to public shareholders under the approved resolution Plan. The resolution demonstrates the practical operation of creditor primacy under the IBC and illustrates how insolvency-driven restructuring may substantially curtail the shareholder protections ordinarily available under the securities law framework.[15]

At the same time, shareholder outcomes under CIRP are not entirely uniform. The resolution of Alok industries limited presents a useful point of contrast . Following the approval of the resolution plan submitted by Reliance Industries limited and JM Financial Asset

[15] *State Bank of India v. Electrosteel Steels Ltd.*, C.P. (IB) No. 361/KB/2017 (N.C.L.T. Kolkata Bench Jan. 12, 2024).

Reconstruction Company, the company underwent significant restructuring and the existing shareholding was substantially diluted. Unlike cases involving the complete extinguishment of public equity the approved resolution plan permitted existing shareholder to retain a highly diluted residual stake in the reorganized company, albeit one with significantly reduced economic and voting significance. This variation demonstrates that the treatment of shareholders under CIRP is often contingent upon the commercial architecture of the resolution plan and the value available after satisfying creditor claims. Collectively, these examples reveal that while insolvency law does not invariably require the elimination of shareholder interests, the existing framework affords shareholders no independent statutory entitlement to participation, valuation protection or continued ownership. Instead their position remains largely dependent upon the commercial structure of the resolution plan approval by the Adjudicating authority under Section 31 of the **IBC.** These practical outcomes reinforce the central argument of this article that, although insolvency-driven delisting may be necessary to facilitate effective corporate rescue, the present framework leave minority shareholder protection contingent upon commercial negotiations rather than guaranteed legal safeguards.

6. Are minority Shareholders the forgotten Stakeholders in CIRP?

A. Arguments Supporting the Present Framework

The complete subordination of equity interests under the current insolvency framework is strongly defended by proponents of economic efficiency, who argue that any dilution of creditor primacy would undermine the corporate rescue mechanism. The structural architecture of the IBC treats insolvency resolution as a time-bound process aimed at maximizing enterprise value while avoiding value-destructive liquidation.[16] Introducing public minority shareholders into the negotiation process could compromise the speed and certainty of resolution. If a corporate debtor's resolution plan required standard securities approvals, or if retail investors possessed statutory standing to challenge restructuring terms, the resulting delays and litigation risks could discourage potential resolution applicants . Prospective resolution applicants require commercial and regulatory certainty regarding the liabilities they assume and the viability of the restructuring process. Furthermore, this

[16] *Innoventive Industries Ltd. v. ICICI Bank*, (2018) 1 SCC 407, ¶¶ 12–16.] *Innoventive Industries Ltd. v. ICICI Bank*, (2018) 1 SCC 407.

approach is consistent with the foundational principle of corporate finance, which recognizes that once a company enters the zone of insolvency, equity holders stand last in the distribution waterfall. Because creditors bear the immediate risk of financial loss , Indian insolvency jurisprudence has consistently deferred to the commercial wisdom , reflecting the view that those bearing the principal of financial risk should exercise primary control over the restructuring process.

B. Concerns Regarding Shareholder Exclusion

While the economic rationale for creditor primacy is well established, the near-complete exclusion of minority shareholders raises significant corporate governance concerns . Under the present framework, public shareholders often face substantial informational asymmetry , as they have limited access to the details of resolution plans and may witness a substantial erosion of their investment without meaningful participation in the decision-making process. One of the principal concerns relates to the reliance on liquidation value as the primary benchmark for determining shareholder payouts.[17]

Where a distressed listed company is successfully resolved as a going concern, its enterprise value may exceed its liquidation value by a considerable margin. However, the economic position of shareholders is affectively determined against liquidation value , which in many cases is negligible or nil- existing shareholders rarely participate in the value generated through post-resolution revival. Critics argue that this structural gap enables the residual going- concern value generated through a successful resolution to accrue exclusively to creditors and incoming resolution applicants, leaving existing minority shareholders with little or no participation in the upside of corporate revival.

The implication of this framework extends beyond the immediate parties to an insolvency proceeding. Persistent uncertainty regarding the treatment of public shareholders in insolvency-driven delistings may adversely affect investor perceive that securities law protection can be displaced without corresponding procedural safeguards.

C. Reconsidering the Balance

Realigning the IBC-SEBI interface does not require abandoning creditor primacy; rather it

[17] Ministry of Corporate Affairs, Gov't of India, *Report of the Insolvency Law Committee* 35 (May 2022),.

calls for the introduction of limited procedural safeguards that enhance transparency and fairness without undermining the time-bound objectives of the CIRP. One potential reform would be to mandate disclosure of the certified fair value alongside liquidation value following approval of a resolution plan, thereby improving transparency for public investors. Another possible reform, the framework could explore mechanisms that preserve a limited degree of shareholder participation in the restructured entity. For instance, where resolution plan contemplates the continued listing or recapitalization of the corporate debtor. One possible approach maybe to explore whether, in appropriate cases where the approved resolution plan contemplates the continued listing or recapitalization of the corporate debtor, minority shareholders could retain a limited, non-controlling equity interest Such measures would not interfere with the COC' s commercial decision-making authority but could mitigate concerns regarding the complete exclusion of public investors from the benefits of corporate revival. Carefully calibrated procedural protections of this nature may help reconcile insolvency efficiency with broader principles of shareholder fairness and market confidence without compromising the creditor-centric framework of the IBC.

7. Conclusion

The interaction between the Insolvency and Bankruptcy Code,2016(IBC) and the securities law framework governing listed entities reveals an inherent tension between two legitimate regulatory objectives. On the one hand, the IBC seeks to facilitate timely resolution of financial distress, maximize enterprise value, and preserve economically viable businesses through a creditor-centric framework. On the other hand, securities regulation seeks to promote investor confidence, transparency, and the equitable treatment of public shareholders. Insolvency-driven delisting represents a unique point at which these objectives intersect, requiring the legal framework to reconcile the demands of efficient corporate rescue with the interests of public investors whose securities are affected by the restructuring process.

The analysis undertaken in this article demonstrates that the existing framework clearly prioritizes insolvency objectives over traditional shareholder protections. From the commercial primacy accorded to the Committee of Creditors to the exemption from the ordinary delisting framework, the legal architecture is designed to ensure that resolution plans are implemented without procedural requirement that may delay or frustrate the rescue of the corporate debtor. In principle, this approach is consistent with the economic rationale underlying insolvency law. Where a company is unable to satisfy creditor claims in full, equity shareholders, as residual claimants, cannot expect priority over stakeholders whose capital remains at risk. The financial subordination of shareholders is therefore a logical consequence of the insolvency framework.

However, the question examined in this article extends beyond financial outcomes. The central concern is whether the substantial dilution of traditional shareholder safeguards during insolvency-driven delisting creates a gap in procedural protection for minority investors in listed companies. The experiences of companies undergoing CIRP suggest that while shareholders may not possess a substantive entitlement to value, they often remain excluded from meaningful participation in decisions that fundamentally alter the nature of their investment. This raises broader questions regarding the extent to which investor-protection objectives should continue to operate within the insolvency context.

Accordingly, the challenge before policy is not to dilute creditor primacy or undermine the efficiency of the CIRP, but to explore whether limited procedural safeguards can co-exist with the existing insolvency framework. Measures such as enhanced disclosure obligations, greater transparency regarding valuation methodologies, or structured communication mechanisms for public shareholders may provide a more balanced approach without compromising the objectives of resolution. Ultimately, the legitimacy of insolvency-driven delisting will depend not only on its effectiveness as a corporate rescue mechanism, but also upon its ability to preserve confidence in the integrity, transparency and fairness of India's capital markets.