Physical Education, Health and Social Sciences

https://journal-of-social-education.org

E-ISSN: 2958-5996
P-ISSN: 2958-5988

The Dynamics Behind Delisting: An Insight into the Indian Context

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DOI: https://doi.org/10.63163/jpehss.v3i2.479

Abstract

The study explores the multifaceted reasons for the delisting of companies from the Indian stock exchange (Bombay Stock Exchange), with a particular focus on voluntary delisting trends. The study analyzes key financial indicators such as profitability and liquidity to understand firms' decisions to delist, noting that companies with weak financial health were more likely to opt for voluntary delisting. The findings underscore the importance for policymakers and investors to recognize the risks associated with delisting and to develop strategies to mitigate adverse effects during these disruptions. This comprehensive insight contributes to the limited literature on delisting in the Indian context and offers valuable guidance for stakeholders navigating this complex phenomenon.

Introduction:

Bombay Stock Exchange (BSE) is the oldest stock market in India and is considered to be one of the most important stock exchanges in the country. It has played a vital role in the development of India's financial landscape and has made a substantial contribution to the expansion and modernisation of the country's capital markets. Having been established in the latter half of the 19th century, the Bombay Stock Exchange (BSE) has been playing a crucial part in the advancement of economic growth. It has done this by easing the process of capital mobilisation for businesses and by offering a marketplace for investors to purchase and sell securities.

Beginnings in the Early Years (1875-1940s):

In 1875, the Bombay Stock Exchange (BSE) was legally created in Mumbai (which was originally known as Bombay) as the Native Share and Stock Brokers' Association. This event marks the beginning of the BSE's history. Under the banyan tree that was located in front of the Bombay Stock Exchange building, there was initially a meeting of brokers who were trading stocks. This gathering was completely informal. By the 1920s, the exchange had already begun to formalise its activities, and it had progressively acquired popularity over the course of subsequent decades. The trading environment was rather basic during this time period, and transactions were carried out manually (Krishnamurti & Venkatesh, 2021). These factors contributed to the minimal regulation that the exchange was subject to throughout this period.

Through the 1930s, the BSE had expanded to incorporate a greater number of equities and commodities than it had previously. However, there was still a relatively limited number of

institutional investors and traders who were the primary participants in its activities. This time period was significant since it represented the beginning of India's involvement with the capital markets. Despite the fact that the Bombay Stock Exchange (BSE) played a vital part in funding the expanding businesses in India, the total involvement in the stock market remained relatively low due to a lack of public knowledge and engagement (Pattanaik & Sahoo, 2019).

After Independence (1947–1980s): A Period of Growth:

Immediately following India's attainment of independence in 1947, the BSE started going through periods of major transformation. India's stock exchanges encountered issues such as inefficiency, a lack of regulation, and low investor trust in the years after the country's independence. When India's financial markets were still immature, the country's stock exchanges faced these challenges. The Securities Contracts (Regulation) Act (SCRA) was created by the government of India in 1956 with the intention of establishing a legal framework for the trading of securities inside the country. According to Pattanaik and Sahoo (2019), this was a significant step towards the direction of developing a stock market that is both organised and transparent.

Over the course of the 1960s and 1970s, the government of India implemented a variety of policies that were designed to encourage market participation and to raise the total number of firms that were listed. Even with all of these efforts, the Indian stock market continued to be relatively tiny, and investors had restricted access to it. There were also a number of regional stock exchanges that were established throughout the 1960s; nonetheless, the Bombay Stock market (BSE) continued to be the most renowned and largest stock market in the country (Sharma & Kumari, 2020).

The decade of the 1980s saw the implementation of substantial changes that provided the framework for the later modernisation of the BSE. Additionally, as a result of the push for industrialisation and economic development, the BSE started to attract more enterprises, which led to an increase in the number of listings. The efforts of the government to privatise state-owned firms and to establish an atmosphere that is conducive to participation from the private sector also contributed to the expansion of the stock market. On the other hand, the stock market continued to struggle with problems such as inadequate regulatory monitoring, restricted market depth, and unchecked speculation, all of which contributed to the occurrence of infrequent market collapses (Sethi, 2018).

The liberalisation of technology and its advancements from the 1990s to the present
In the 1990s, the Bombay Stock Exchange (BSE) and India's financial markets experienced a significant turning point. The Indian stock market saw a significant transformation as a direct result of the economic liberalisation policies that were implemented by the government in the year 1991. Among these changes were the liberalisation of interest rates, the reduction of limitations on foreign exchange, and the openness of the economy to investors from other countries. According to Bhagat and Pandit's research from 2020, as a consequence of this, the BSE started to draw a higher involvement from investors from both local and foreign markets, which in turn fuelled the expansion of the stock market.

An additional significant step in the process of modernisation of the BSE was the implementation of computerised trading in the year 1995. With the introduction of the BSE On-Line Trading method (BOLT), the conventional open-outcry method was replaced with a system that enabled trades to be executed more quickly, with greater transparency, and with greater efficiency. According to Iyer and Reddy (2024), this action was a key step towards simplifying processes, assuring greater market surveillance, and protecting investors. Additionally, the BSE proceeded towards dematerialisation of securities, which made the settlement process more streamlined and reduced the risks that were connected with transactions that were conducted using paper.

When the Securities and Exchange Board of India (SEBI) recognised the Bombay Stock Exchange (BSE) in 2001, it was the first exchange in India to receive this recognition. SEBI was created in 1992 with the purpose of regulating the securities markets in India. The Securities and

Exchange Board of India (SEBI) played a crucial part in enhancing market governance, imposing more stringent laws, and boosting investor confidence. As a result of the reforms that were implemented during this time period, the BSE became one of the most prominent stock exchanges in Asia (Krishnamurti & Venkatesh, 2021). These reforms had the effect of increasing the market's transparency and efficiency, as well as providing investors with more protection.

In the early 2000s, the Bombay Stock Exchange (BSE) underwent a transformation into a highly efficient and contemporary market, which attracted a varied range of investors, including both retail and institutional investors. Additionally, it was acknowledged for the efforts that it had made to develop the derivative products and the corporate bond market. The capacity of the exchange to manage growing trade volumes, in addition to the complete regulatory framework that it possesses, further strengthened its place as a vital participant in India's financial industry (Agarwal & Gupta, 2020

The Role of BSE in India's Economic Development:

A platform for stocks, bonds, derivatives, and other financial instruments is provided by the Bombay Stock Exchange (BSE), which remains an essential component of the Indian economy in the present day. It has made a significant contribution to the creation of capital in the country by offering a framework for businesses to obtain cash for the purpose of expanding their operations, developing their infrastructure, and modernising their operations. During the post-liberalization era, the role of the BSE has become increasingly prominent as a result of increased market liquidity, improved risk management, and more transparency (Agarwal & Gupta, 2020).

Additionally, the BSE has been instrumental in the promotion of financial inclusion through the implementation of activities that are geared towards attracting smaller investors and delivering financial products that are tailored to meet their requirements. The expansion of the investor base and the promotion of a culture of saves and investment among private families in India have both benefited significantly from this matter. According to Sharma and Verma (2024), the significant emphasis that the BSE places on corporate governance has resulted in an increase in the level of trust that investors from both India and other countries have in Indian businesses.

BSE is confronted with obstacles that include market instability, poor retail involvement, and growing delistings, despite the fact that it has achieved a great deal of success. In recent years, there has been a widening disparity between firms that are listed and those that are delisted. This, in conjunction with issues over corporate governance and the increased demands from regulatory authorities, has led to questions being raised about the exchange's capacity to remain operational over the long run (Sharma & Kumari, 2020). One of the most important things that can be done to ensure that the BSE continues to be a leading exchange in emerging countries is to make steps to strengthen market infrastructure, implement stronger rules, and address concerns related to investor protection.

Challenges and Prospective Courses of Action:

The Bombay Stock Exchange (BSE) has developed into one of the most successful stock exchanges in the world; nonetheless, it continues to confront substantial issues in areas such as corporate governance, market regulation, and liquidity. There has been a significant problem known as the listing gap, which refers to the disparity between the number of new listings and the number of firms that have been delisted. Companies have been choosing to delist rather than remain listed on the market due to a number of causes, including high listing charges, severe regulatory compliance requirements, and financial troubles.

However, the government of India and the Bombay Stock Exchange (BSE) are taking aggressive steps to overcome these difficulties. Efforts to strengthen corporate governance, expand market liquidity, and launch new financial products are anticipated to be the primary drivers of development in the years to come. In addition, it is anticipated that ongoing attempts to increase

financial literacy among the general public and to digitise trade would contribute to the development of a more inclusive financial market and ensure the continued success of the BSE over the long term.

Delisting in Emerging Markets (India):

By the year 2047, India, which is now one of the economies that is expanding at the quickest rate in the world, intends to continue its development in order to achieve the position of a high-middle-income country. During the past twenty years, India has witnessed exceptional economic progress, which has resulted in a major reduction in the prevalence of severe poverty. Estimates from the Poverty and Inequality Portal and the World Bank's Macro Poverty Outlook (Spring 2023) indicate that the percentage of persons living below $2.15 per person per day (2017 PPP) has decreased by fifty per cent between the years 2011 and 2019. Nevertheless, the rate of poverty reduction slowed down during the COVID-19 epidemic, and it reached a plateau in the years 2021 and 2022 (World Bank, 2023). In spite of these obstacles, India's gross domestic product (GDP) growth in the fiscal year 2023/2024 was 8.2%, making it the greatest growth rate among major nations (World Bank, 2024). There has been a rise in the number of families investing in real estate, and there has also been an increase in the amount of money that the government is investing in infrastructure projects. Despite the difficulties that were experienced by the agriculture sector, India's manufacturing sector saw a growth rate of 9.9%, while the service sector continued its consistent expansion. According to the World Bank (2024), the solid economic performance of the country may be attributed to the actions taken by the government to enhance the business climate, increase logistical infrastructure, streamline taxes, and reduce tax rates. It has been observed that the rate of unemployment in urban regions of India has been steadily decreasing, particularly among female workers. With regard to the fiscal year 2024/2025, for instance, it decreased from 14.3% in the fiscal year 2021/22 to 9%. However, the unemployment rate for urban adolescents is still rather high, coming in at 16.8% (World Bank, 2024). The foreign currency reserves of India reached a record high of $670.1 billion by August 2024, backed by a falling current account deficit and solid foreign portfolio investments (World Bank, 2024). This was a record high for India. Going forward, it is anticipated that the services sector will maintain its growth of 7% in the fiscal year 2024/25, and that this growth will continue into the subsequent years (FY25/26 and FY26/27).

The process by which firms are removed from the Bombay Stock Exchange (BSE), which is India's stock exchange, has seen significant shifts throughout the course of time. The number of firms that were delisted increased from 41 in the year 2001 to 175 in the year 2002. The pattern slowed down in 2003, but in 2004, there was a significant increase in the number of firms that were delisted. Of the 977 companies that were delisted, 876 were forced to do so by SEBI because they did not comply with requirements. In the years that followed, the number of companies that were delisted remained relatively consistent, with just 17 companies being delisted in 2014 (Karishma et al., 2015).

It is safe to say that the stock market in India is more robust and stable than the stock markets in other emerging nations, such as Pakistan. These consistent results are mirrored in the data presented in Figure 3, which presents a comparison of the number of firms that are listed and delisted on the BSE. According to these findings, the number of businesses that are listed continuously surpasses the number of firms that have been delisted. This demonstrates the efficiency of India's regulatory framework, market infrastructure, and investor trust (Kashefi Pour & Lasfer, 2013).

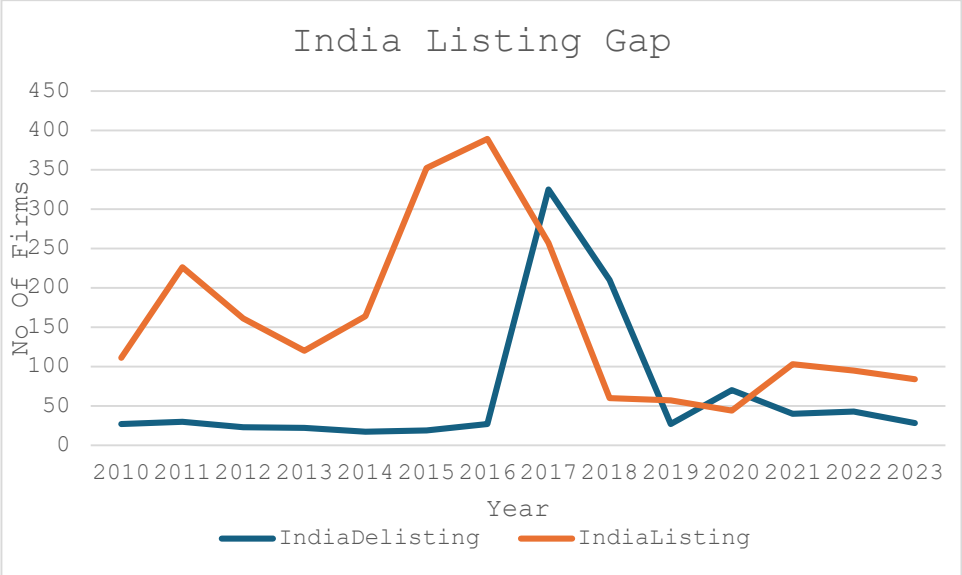
Strong governance structures and tighter application of rules are two factors that contribute significantly to India's ability to protect the integrity of its market. A climate that is favourable to public listing has been created as a result of further stringent listing standards and increased openness. Significant international investments have been drawn to India as a result of the country's greater economic integration into global markets, which has resulted in a growth in the number of firms that are listed on national stock exchanges (Liao, 2020). According to Dodge et al. (2008), Pakistan's market inefficiencies and lower governance lead to more frequent delistings. In contrast, the BSE's

compliance and corporate governance processes are solid, which contributes to the BSE's strong reputation.

Companies have been encouraged to list on the market in order to obtain equity investment as a result of India's growing capital requirements, which are a result of the country's economic growth and its broad industrial base. According to Mandali et al. (2015), market changes have resulted in the BSE being a more appealing platform for firms. These reforms include the simplification of listing procedures and the implementation of investor protection measures. India's superior market fundamentals are shown by the comparatively low degree of delisting activity on the Bengal Stock Exchange (BSE) in comparison to Pakistan's Pakistan Stock Exchange (PSX), which puts India as a more robust developing economy.

The fact that the number of firms that are listed on the BSE consistently surpasses the number of companies that are delisted is a resounding indication of the health and potential for expansion of the market. Despite this, there are still obstacles to overcome, such as problems with governance in family-owned businesses and the expense of regulatory compliance for smaller businesses. By addressing these difficulties, India's stock market would be further strengthened, the number of delistings would be reduced, and India's standing as a major developing market would be strengthened (Gelter & Thel, 2024).

Figure 1 Listed and Delisted firms in BSE 2010-2023



*Source = Author's own computation

Data and methodology

The study utilises the data period from 2010 to 2023. Only the voluntarily delisted firms are analysed in this study because the involuntary delisting is done by the stock exchange itself. During this period, 59 firms were voluntarily delisted from the Bombay Stock Exchange. The study utilises the three-year prior data set of these voluntarily 59 firms the year of their delisting. To analyse 59 counter firms from the same sectors and same years are selected which survived and remained listed during that time period. The annual data set of these 118 firms is collected from their annual reports.

Variables:

The variable details are given in Table 4-1.

Table 4-1 Variables Explanations

Abbreviation	Variable Name	Calculation
EPS	Earnings per share	Earnings per share = Net profit / Average shares outstanding
LS	Log of size	Log of Total Assets
CR	Current Ratio	C. Assets / C. Liabilities
DE	Debt-to-equity ratio	Total Debt/Total Equity
TAT	Total assets turnover	Sales / total assets
EI	Earning Power to Investment	Net income / total Assets
ED	Earning Power to Debt	Net income / Total Liabilities
FT	Fixed assets turnover	sales / fixed assets
OPM	Operating Profit Margin	Operating profit/sales
BS	Board size	Number of members on the board
NED	Number of non-executive directors	% Number of non-executive directors to total directors
CEOD	CEO Duality	If the CEO holds the Chair of the board, then =1, otherwise = 0

4.10 Cox hazard model:

This study follows the methodology presented by Cox (1972) which is famously known as the cox hazard model. It has grown to become one of the most widely used methods for analyzing time-to-event data.

The objective of the model is to ascertain the extent to which various distinct factors contribute to the probability of an individual's firm survival. In essence, this methodology allows for the examination of how specific circumstances influence the temporal occurrence rate of a particular event, such as delisting. The term "hazard rate" is commonly employed to denote this specific rate.

It is a semi-parametric regression model that looks at the link between firm survival time and a collection of explanatory factors. The model looks at the relationship between the two. It does not need any assumptions about the form of the underlying hazard function, which is the chance of an event occurring at a certain time. Because of this, it is highly flexible.

It does so by employing a method known as partial likelihood estimation, which enables the integration of censored data and yields an estimate of the regression coefficients. Data is considered

censored when the event of interest has not yet taken place for certain people at the conclusion of the research or when those individuals cannot be located for further observation.

Result and Discussion

The Indian economy, which is one of the economies that is expanding at the quickest rate in the world, continues to demonstrate extraordinary resilience and growth. Despite the issues that the global economy is facing, India continues to be the major economy that is developing at the quickest rate. In FY23/24, India achieved a growth rate of 8.2 percent, and the country has goals of reaching high middle-income status by the year 2047. India's ascent to the position of emergent economic superpower is further strengthened by this remarkable trajectory. Nevertheless, in the middle of this expansion, India is confronted with the urgent problem of the delisting phenomenon, which is a worldwide trend that affects both rich nations and rising economies. The withdrawal of a company's shares from a stock exchange for the purpose of making them inaccessible for trade by the general public is referred to as delisting. It may take place for a variety of reasons, such as the firm's failure to comply with legislation, experiences of financial crisis, mergers, or actions made voluntarily by the company. The size of delistings in India reveals substantial underlying problems, particularly for an economy that is striving to strengthen its capital markets. Although delisting is a normal feature of market dynamics, the scale of delistings in India underscores these worries.

There has been a notable decrease in the number of companies that are listed in India throughout the course of the years. It was stated by Ashley (2018) that the Bombay Stock Exchange (BSE) has 5,900 firms listed on its platform as of the 31st of March in 2016. At the end of March 2018, this number had dropped to 5,035, which is a significant decline from the previous year. This tendency is not exclusive to India; rather, it is consistent with tendencies that are observed all across the world in both developed and rising countries. The ramifications, on the other hand, are especially worrisome for India because of the country's lofty economic objectives and the crucial function that financial markets play in fostering growth.

By comparing the voluntary delistings that took place in Pakistan and India between the years 2010 and 2023, it is possible to see that both countries face similar issues in terms of governance, market dynamics, and regulatory frameworks. This tendency highlights systemic flaws that need to be addressed in order to improve investor trust and market stability. This is the case despite the fact that India's capital markets are more sophisticated than those of other countries. Countries with varying degrees of economic development are impacted by the phenomena of delisting. Delisting is frequently a reflection of consolidation, cost management, or strategic moves to go private in marketplaces that have already been formed. In contrast, rising economies such as India and Pakistan are confronted with a variety of distinct constraints, such as the costs of regulatory requirements, the low liquidity of the market, and governance problems. In India, voluntary delistings are frequently the result of family-controlled enterprises giving private ownership a higher priority than it should, as well as difficulties in following applicable regulatory criteria. These tendencies are similar to those that have been seen in Pakistan, where the market is dominated by concentrated ownership (Bonfanti et al., 2017).

Bombay Stock Exchange results:

In spite of the fact that India's economy is expanding at a rapid rate, the phenomenon of delisting brings about difficulties for the country's capital markets. India is able to improve its market resilience and maintain sustainable growth by addressing certain aspects, including those related to finance, governance, and market orientation. This chapter emphasises the significance of concerted actions by authorities and market participants in order to reduce the risks associated with delisting and to improve India's position as a global economic powerhouse.

In order to capture the reasons that led to delisting in the Indian market, the framework of this chapter is followed by first offering a descriptive study, and then moving on to a Cox-hazard analysis.

Descriptive Statistic of BSE:

The majority of research projects revolve around descriptive analyses as their primary focus. It does not matter if the objective is to recognise and describe patterns and variations in populations, to develop novel measurements of important phenomena, or to merely describe samples in research projects that are aimed at determining the impacts of causality. We were able to quickly characterise what the data looks like with the help of descriptive statistics. Additionally, descriptive statistics are able to accurately capture the outliers. In Table 7, the descriptive statistical analysis of the data ranges for BSE Indian stock market delisted enterprises is shown. The data ranges from 2010 to 2023.

Table Descriptive Statistics of BSE Delisted firms 2010-2023

Variable	Mean	Std. Dev.	Min	Max
Eps	16.9211	52.1798	-327.67	426
Ls	8.944856	1.958535	5.075	21.635
Cr	1.89541	3.33938	0.003	40.575
De	1.012308	5.063765	-48.03	31.84
Tat	.8353588	.9320923	0	11.47
EI	-.0714831	.5937472	-5.497	6.47
ED	-0.1569	5.27683	-51.82	30.59
FT	3.26504	4.725478	-.744	48.94
Opm	-1.08276	7.763544	-89.43	19.42
Bs	7.881356	3.044066	3	18
Ned	45.97458	31.1923	0	92
Ceod	.5423729	.4989065	0	1
RETA	-0.1599	1.92367	-10.972	21.71

Note: This table presented the 118 BSE firms results.

A considerable amount of information regarding the features of the dataset is revealed by the descriptive statistics. With a mean of 16.92 and a standard deviation of 52.97, profits per share (EPS), an essential indicator of profitability, reveals a significant amount of variation in earnings among companies. This highlights the amount of variation that exists in earnings. The large range of earnings per share (EPS) numbers, which can fluctuate anywhere from -327.67 to 426, indicates the existence of severe outliers or considerable differences in profitability across companies. It is possible that this variety might be related to variances in the industrial sectors, operational efficiency, or market situations. For example, some businesses may be prospering while others are facing significant financial issues. Some companies are experiencing considerable losses, which may be the result of excessive operational expenses, poor sales performance, or financial difficulty, as shown by the negative numbers that are present in the range. On the other hand, the unusually high positive numbers suggest that select businesses have been able to achieve great profitability. This may be the result of creative business ideas, advantages over their competitors, or favourable market circumstances. According to Smith and Brown's research from 2020, excessive fluctuations in earnings per share (EPS) can have a major impact on investment decisions and risk assessments. These findings highlight the significance of doing more research to gain a better understanding of the factors that contribute to profitability disparities. It is possible that a more thorough knowledge of the elements that contribute to this fluctuation might be obtained by identifying patterns or correlations with other variables in the dataset, such as leverage, liquidity, or operating margins (Jones et al., 2019).

The logarithmic transformation of company size based on total assets is reflected by the log of total assets (LS), which has a mean of 8.94 and a standard deviation of 1.96. The mean of the log of total assets is 8.94, and the standard deviation is 1.96. By eliminating the skewness that is brought about by high values, this transformation makes it possible to conduct a comparison that is more normalised across companies. There are noteworthy variances, with some organisations being much bigger than others, presumably reflecting giant corporations or conglomerates with broad asset bases. The range of LS values, which ranges from 5.075 to 21.635, demonstrates that although the majority of enterprises are of comparable size, there are notable disparities. When dealing with datasets that have firm sizes that span numerous orders of magnitude, the use of a logarithmic scale is quite beneficial. The effect of really large companies is reduced as a result, and they are prevented from having a disproportionate impact on comparisons or statistical studies. The companies that are located at the lower end of the range are most likely to be smaller businesses or startups that have limited asset bases. On the other hand, the companies that are located at the upper end may belong to industries that need a significant amount of capital, such as manufacturing, infrastructure, or energy. Given the relatively low variability (standard deviation = 1.96), it appears that the majority of the companies included in the sample are not significantly different from one another in terms of the amount of their assets. Because of this, LS is a very useful metric for investigating the connections that exist between the size of a company and other types of variables, like as profitability, efficiency, or leverage. If more research were conducted, it would be possible to investigate if larger companies, as indicated by higher LS values, are able to attain economies of scale or demonstrate distinct patterns in terms of operational efficiency, governance, or economic success.

Considering that the average value of Reta is -0.1599, it can be inferred that Indian companies, on average, have retained profits that are somewhat negative in comparison to their total assets. It may be deduced from this that a significant number of the companies included in the sample either run their businesses with a deficit or do not reinvest their revenues adequately in relation to their asset base. There are a number of factors that can lead to negative retained earnings, including prolonged periods of low profitability, excessive dividend distributions, or inadequate reinvestment methods. All of these factors contribute to a company's diminished capacity to self-finance. Liao (2020) stressed the significance of retained earnings for the purpose of internal financing, particularly in places such as

India, where access to external financial markets may be limited. Companies that have a substantial amount of retained earnings are in a better position to steer through times of financial crisis and to continue to comply with listing requirements. The minimal value of reta, which is -10.972, serves as a reflection of extreme situations in which companies have retained earnings that are severely negative. These situations reveal serious financial instability or operational inefficiency respectively. On the other hand, the maximum value, 21.71, indicates that a select group of companies are in excellent financial health since they properly reinvest their revenues in order to construct a solid asset base. Through this difference, the range of financial management methods that exist across the Indian business sector is brought into vivid relief. In accordance with the findings of Kashefi Pour and Lasfer (2013), companies that have high retained earnings indicate to investors that they are sustainable over the long term, which in turn fosters market confidence. In order to improve market performance and reduce the danger of delisting, it is essential for Indian companies to address structural problems that result in chronically negative retained earnings.

(ED) stands for earnings power to debt. Given that the average value of ED, which stands for earnings power to debt, is -0.1569, it can be deduced that Indian companies, on average, create profits that are insufficient in comparison to the amount of debt they have. When this ratio is negative, it indicates that there may be difficulties in sustaining both solvency and profitability. This ratio is a reflection of a company's capacity to manage its financial commitments via financial earnings. The lowest possible value of ED, which is -51.82, indicates that certain businesses are experiencing great financial difficulty since their profits are not sufficient enough to fulfill their debt commitments. These kinds of companies are at a major danger of being delisted owing to financial bankruptcy. This is because low earnings power affects the trust of investors and makes it more difficult for the company to fulfill the many regulatory criteria. According to Doidge, Karolyi, and Stulz (2008), one of the most important factors that determines whether or not a company gets delisted in developing markets is the presence of financial distress that is caused by a lack of earnings power. The highest value, on the other hand, is 30.59, and it represents businesses that have extraordinary earnings power in comparison to their debt. These businesses have demonstrated that they are able to create consistent returns via effective financial management. The disparate financial situations that exist among Indian companies are brought into focus by this diversity. According to Liao (2020), businesses that have good ED ratios are in a better position to attract investment and maintain market presence, particularly in nations that are experiencing governance frameworks that are in the process of change. Optimising operational efficiency and decreasing debt loads are two areas that Indian companies with limited earnings power need to concentrate on in order to maintain their financial sustainability and successfully minimize risks.

(Cr) stands for the current ratio, which has a mean value of 1.89541, it can be deduced that Indian companies, on average, keep their current assets at a level that is nearly twice as high as their current liabilities. This indicates that the liquidity levels are appropriate and that the capacity to satisfy short-term obligations might be achieved. Nevertheless, the minimal number of 0.003 indicates that certain companies are now experiencing acute liquidity limitations, which may indicate that they may face difficulties in meeting their urgent financial commitments. These companies may be more susceptible to experiencing financial difficulties or insolvency, which would increase the possibility that they will be delisted. It was noted by Gelter and Thel (2024) that low liquidity impairs operational stability, which in turn makes businesses more susceptible to the demands of the market and surveillance by regulatory authorities. On the other hand, the highest value of 40.575 shows businesses that have an excessively high liquidity, which, while it may reduce the risks that are associated with the short term, may suggest inefficiencies in asset use or too conservative financial policies. An excessive amount of liquidity can result in the underutilization of resources, which in turn lowers total profitability and overall returns to shareholders. Companies operating in emerging markets such as India need to find a

balance between ensuring that they have sufficient liquidity and ensuring that they are deploying their assets in a productive manner in order to maximize the development of long-term value, as stated by Mandali et al. (2015). The Consequences for Indian Businesses when it comes to retained earnings, earnings power, and liquidity, the descriptive data show that there is a large amount of variation across Indian companies. This diversity is a reflection of the specific issues that companies functioning in a market that is characterized by concentrated ownership, governance inefficiencies, and developing regulatory frameworks encounter. Negative retained profits and poor earnings power compared to debt are indicators of financial weaknesses that might raise the risk of delisting. This is especially true for companies that are unable to generate consistent returns or properly manage their debt. It was brought to the attention of Liao (2020) that companies that have poor financial indicators are more likely to be subjected to investor skepticism and regulatory scrutiny, both of which contribute to the pressures that lead to delisting. On the other hand, the different procedures for managing liquidity that are utilized by Indian businesses are brought to light by the extensive range of current ratio values. While there are some businesses that are able to exhibit excellent short-term financial stability, there are others that are struggling with significant liquidity restrictions or underutilizing their resources. The existence of these differences highlights the significance of organizational governance changes and strategic financial management in order to cultivate resilience and market trust.

The debt-to-equity ratio (DE) has a mean value of 1.01, which indicates that, on average, businesses maintain a balanced approach to financing through debt and equity (mean = 1.01; standard deviation = 5.06). In spite of this, the substantial standard deviation and extensive range (-48.03 to 31.84) demonstrate that there is a significant amount of variation in the funding arrangements of different companies. When equity is much higher than debt, a negative DE value indicates that prudent financial measures are being implemented or that leverage is being inadequately utilised. Despite the fact that companies with such structures may place a higher priority on financial stability and reduced risk, they may overlook prospects for expansion that might be provided by leveraged finance. On the other hand, businesses that have high DE values are significantly dependent on debt, which has the ability to raise growth potential when market circumstances are favourable, but also comes with heightened financial risk. Companies that use a high level of leverage magnify both their gains and their losses, making them more susceptible to economic downturns and increasing interest rates. The importance of this cannot be overstated, particularly in the context of unpredictable market conditions, when an excessive amount of debt may result in financial difficulties or even insolvency. These observations highlight the need to contextualise DE ratios within industry norms. This is because capital-intensive businesses, such as manufacturing or utilities, often have more leverage in comparison to asset-light sectors, such as technology or services. It is possible that more research might investigate the connection between DE and other financial indicators, such as profits per share or liquidity, in order to evaluate the impact that financing decisions have on the overall success of the company and the risk profiles it possesses.

Efficiency indicators such as total asset turnover (TAT) reflect an average of 0.84, which indicates that businesses create 0.84 units of revenue for every unit of asset investment (mean = 0.84; standard deviation = 0.93). In terms of asset utilisation efficiency, there is a significant amount of variation between companies, as indicated by the standard deviation value of 0.93. The range, which goes from 0 to 11.47, exemplifies the enormous variances that exist between businesses that are successful in optimising asset performance and those that may have inefficiencies. When it comes to generating income, companies that have high TAT values display extraordinary efficiency in exploiting their assets. This is typically indicative of good operational management, strategic resource allocation, or industry advantages. On the other hand, businesses that have low TAT values may have difficulties working with assets that are underutilised or inactive, excessive investments, or inefficiencies in the process of translating asset value into revenues. A time-to-market value of 0 indicates that assets are not being utilised at all, which may be an indication of transitory operational interruptions,

underperformance, or asset-heavy business models with shorter turnover cycles. Asset turnover is strongly dependent on the industry. Capital-intensive businesses, such as manufacturing or utilities, typically have lower TAT values due to considerable expenditures in long-term assets. On the other hand, service-oriented or technological sectors frequently demonstrate greater turnover rates. In order to contextualise these numbers, sectoral research is very necessary because the standard for effective asset utilisation differs greatly from industry to industry. It is possible that more research on the relationship between time-to-market (TAT) and profitability measurements, such as operating margin or profits per share, might give insights into the ways in which asset utilisation affects overall financial performance. It is possible that a better understanding of these dynamics might assist businesses in optimising the allocation of their resources and improving their operational efficiency, hence improving their competitive posture (Thompson et al., 2021).

The fixed assets turnover (FT), which evaluates how well businesses use their fixed assets to produce income, has a mean value of 3.27 and a reasonably high standard deviation of 4.73, showing that there is a significant amount of variation in performance among different companies (mean = 3.27; SD = 4.73). Due to the enormous disparities in the ways in which businesses leverage their fixed assets, the wide range of values (-0.744 to 48.94) reflects these variances. The presence of high values indicates that certain businesses create income in a manner that is efficient in relation to their fixed assets. This might be the result of simplified operations, efficient capital allocation, or advantages that are peculiar to the sector. On the other hand, values that are low or negative may suggest difficulties such as underutilised or idle fixed assets, excessive investment in infrastructure in comparison to the existing levels of income, or operational inefficiencies. The presence of negative values, in particular, may indicate the presence of temporary setbacks, such as disruptions in production or dropping sales, which hinder the capacity of fixed assets to effectively contribute to the creation of income. Given that some industries inherently require higher capital investment with slower asset turnover rates (for example, manufacturing), while others may exhibit higher efficiency due to asset-light business models (for example, technology or services sectors), it is essential to contextualise fixed asset turnover within industry norms and firm-specific strategies. This variability highlights the importance of contextualising fixed asset turnover within industry norms. In order to have a better understanding of the wider implications that this phenomenon has for the performance of a company, more research may investigate the link between the turnover of fixed assets and profitability, liquidity, or leverage.

There is a slightly negative mean of -0.071 for the earnings power to investment (EPI), which is an evaluation of the efficiency of profits created compared to the investment made. The standard deviation of the EPI is 0.59, with the mean being at -0.071 and the standard deviation being 0.59. It appears from this that, on average, businesses are performing somewhat below expectations when it comes to transforming investments into earnings. The enormous variation that exists between companies is highlighted by the large range of EPI values, which vary from -5.497 to 6.47. The presence of positive EPI values serves as evidence that certain businesses are able to make efficient use of their resources and achieve substantial returns on investment. Depending on the circumstances, this may be a reflection of effective cost management, solid investment initiatives, or favourable market conditions. When the EPI value is negative, it indicates that the company is not operating efficiently since it is not generating sufficient earnings to justify the investments it is making. A number of factors can lead to such consequences, including bad strategy decisions, high operating expenditures, or investments in assets that are not performing well. The fact that EPI may vary so much highlights the significance of characteristics that are distinctive to both the company and the sector in terms of how they influence investment efficiency. As an illustration, businesses operating in growth-oriented industries could be willing to accept lower short-term profits in exchange for long-term potential, whilst other businesses operating in established industries make immediate profitability their top priority. It is possible that more research on EPI in relation to business size, sector, or governance characteristics might give

deeper insights into the factors that influence investment efficiency and the impact that it has on overall financial performance.

The operating margin (OPM), which has a mean of -1.08 and a high standard deviation of 7.76, illustrates the great range in operational profitability that exists amongst companies (mean = -1.08; SD = 7.76). According to the negative mean, it appears that the majority of the companies in the dataset are experiencing operational losses. This highlights the possible difficulties that may arise when it comes to the management of expenses or the generation of adequate income from core operations. Some companies have achieved outstanding operational performance, while others are facing severe inefficiencies. The broad range of OPM values, which vary from -89.43 to 19.42, highlights the enormous contrasts that exist between the two groups. The ability to effectively control costs and generate substantial income is exhibited by businesses that have positive OPM values, particularly those that are located towards the top end of the frequency range. There is a good chance that these companies have efficient processes, competitive market positioning, or benefits in pricing power. On the other hand, businesses that have negative OPM values frequently suffer from high fixed expenses, inefficient operations, or significant competitive pressures that erode profitability. This is especially true for businesses that are towards the lower half of the spectrum. It is also possible that the severe negative figures are indicative of one-time occurrences, such as significant write-offs, expenditures associated with restructuring, or other unexpected expenses. There are a number of potential causes for this variation in operating margin, some of which include variances in the dynamics of the industry, differences in company size, and differences in market circumstances. For instance, companies that are capital-intensive and have large fixed costs may face bigger variations in operating margins as compared to service-based sectors that have cost structures that are more flexible. A further point to consider is that businesses that operate in highly competitive markets could experience pricing pressures that reduce margins, whereas businesses that operate in specialist industries might have better profitability. It is possible to gain a more in-depth understanding of the factors that influence operational performance by conducting an analysis of the link between operational performance management (OPM) and other variables, such as total asset turnover, debt-to-equity ratio, or company size. To find possibilities to increase cost efficiency and optimise income sources, it is essential to have a solid understanding of these dynamics. This is especially true for businesses that have consistently negative margins. The general health of the company and its capacity to be profitable over the long term may also be evaluated using this metric, which is a helpful signal. Additional insights into the organisational frameworks of companies may be gained via the examination of governance and structural elements.

The board size (BS) has an average of 7.88 members and a reasonable standard deviation of 3.04, which indicates that the majority of companies maintain boards that are properly sized and that strike a balance between effective decision-making and varied representation (mean = 7.88; SD = 3.04). Even if smaller boards could make it easier to make decisions more quickly, larger boards often provide a wider variety of experience and points of view, which might potentially result in more robust governance processes. A high standard deviation of 31.19 indicates that there is a significant amount of variance in board composition (mean = 45.97%; SD = 31.19). The proportion of non-executive directors (NED) averages 45.97%, and the standard deviation is in the high range. Companies that have a greater number of non-executive directors may place a stronger priority on supervision and independence, which ensures that crucial choices made by management are exposed to rigorous examination. On the other hand, businesses that have a lower number of non-executive directors may rely more on executive decision-making. This may improve the company's agility, but it may also raise issues about accountability or possible conflicts of interest.

It has been noted that 54 percent of companies have CEO duality, which is a situation in which the CEO also serves as the head of the board of directors. There are both good and bad ways in which this

governance structure may have an impact on the process of making strategic decisions and having responsibility. The dual role of chief executive officer (CEO) has the ability to facilitate simplified leadership and a single vision, which might potentially improve operational efficiency. Alternatively, it may decrease checks and balances, so diminishing the independence of the board of directors and raising the possibility of unrestrained management authority becoming more prevalent.

The variety of governance structures recommends that companies should modify their practices so that they are in line with their strategic objectives, the standards of their sector, and the regulatory contexts in which they operate. The success of various governance models might be better understood via the use of further research that investigates the ways in which these governance variables are connected to financial performance, risk management, or the satisfaction of stakeholders. By way of illustration, doing research on the connection between board size, independence, and the profitability of a company might shed light on the ways in which governance affects the outcomes of operational activities. In a similar vein, gaining a knowledge of the influence that both CEOs have on the speed at which decisions are made and the amount of risk they are willing to take might help educate best practices for balancing leadership control and responsibility.

In conclusion, the data demonstrate a combination of stability and unpredictability in terms of the measures pertaining to governance, operations, and finances. While there are some companies that continuously do well, there are others that display considerable differences in performance. These differences may be the result of the dynamics of the industry, the conditions of the market, or the features of the company itself. In order to gain a deeper comprehension of the implications that these factors have on the performance of the company, further analysis, such as regression or clustering, might be of assistance in revealing patterns and linkages among these variables.

Cox-hazard Analysis of BSE firms:

The results that are shown in Table 8 make use of a statistical technique known as Cox hazard analysis. This technique is utilised in survival analysis to investigate the amount of time that remains before a specific event takes place, such as the failure of a company, bankruptcy, or delisting. When it comes to determining the influence of multiple predictors on the chance of an event, the Cox hazard analysis is particularly useful. This is because it takes into account the fact that not all businesses may experience the event during the observation period. In the context of BSE companies, the analysis would typically evaluate the ways in which firm-specific factors, such as governance variables (for example, board size, CEO duality), financial metrics (for example, debt-to-equity ratio, operating margin), and efficiency indicators (for example, asset turnover), influence the hazard rate, which is the risk of the event occurring at a particular time. It is possible that the findings will reveal which variables considerably improve or decrease the chance of survival, making it possible to get insights into the dynamics that either support or impede the sustainability of the organisation. Because it does not need any assumptions to be made about the baseline hazard function, the Cox hazard analysis is a reliable instrument for analysing survival data in populations that are distinct from one another, such as BSE companies. Because of this flexibility, it is possible to identify factors that have a significant impact in the performance and longevity of enterprises, even when there is censored data present (for example, firms that did not fail over the time of the research).

Table Regression Results Using Cox Proportional Hazards Model – BSE

Variables	Coefficient	Std. Err.	Z	P>Z
Eps	-.0050507	.002022	-2.50	0.012*

Variables	Coefficient	Std. Err.	Z	P>Z
Ls	.1893747	.0478177	3.96	0.000*
Cr	-.0291274	.0315092	-0.92	0.355
De	-.0036124	.0165558	-0.22	0.827
Tat	.0043958	.1326402	0.03	0.974
EI	-.2214297	.1543043	-1.44	0.151
ED	-.033061	.0179532	-1.84	0.066**
Ft	-.0180857	.0179838	-1.01	0.315
Opm	.0211183	.0097381	2.17	0.030*
Reta	-.0812731	.0412028	-1.97	0.049*
Bs	-.1999003	.042275	-4.73	0.000*
Ned	-.0032097	.0029108	-1.10	0.270
Ceod	.3236546	.1802945	1.80	0.073**

Note: The table exhibits the estimation of cox-hazard model. * $p<0.05$; ** $p<0.10$ represent significance level at the 5% and 10%.

The analysis of BSE firms through Cox hazard regression provides critical insights into the factors affecting their survival and potential delisting. Delisting, whether voluntary or involuntary, is a key concern in corporate finance, as it affects shareholders' wealth, market dynamics, and firm reputation (Kumar & Gupta, 2022). The Cox hazard model identifies several predictors, including financial metrics, governance structures, and operational efficiency, that significantly impact the hazard rate, or the likelihood of firms experiencing delisting or similar adverse events. This type of analysis seeks to identify the factors that influence the likelihood of firms continuing to remain publicly listed versus being delisted. The findings highlight the multifaceted nature of delisting, influenced by market dynamics, regulatory compliance, financial stability, and governance practices unique to Indian firms. Below is a detailed interpretation of the variables, along with justifications and theoretical underpinnings supported by in-text citations.

The earnings per share (EPS) coefficient is -0.0051, and the p-value is 0.012, which indicates that there is a statistically significant negative link between earnings per share and the likelihood of delisting. This suggests that the risk of a company being delisted diminishes as the earnings per share (EPS) of the company go up. The capacity of a company to create earnings in relation to the number of shares that are outstanding is reflected by greater earnings per share (EPS), which is a sign of strong profitability. This kind of profitability not only bolsters investor confidence but also proves that a company is capable of meeting its financial responsibilities and the needs of regulatory agencies. Because of this, companies who have strong earnings per share are in a better position to continue to retain their market presence and to comply with listing rules. This discovery is in agreement with the

argument made by Chaplinsky and Ramchand (2006) that profitability is an essential component for the continued existence of the market, particularly in terms of ensuring that businesses continue to be appealing to both investors and regulators. According to Liao (2020), consistent profits performance functions as a stabilizing effect in the context of Indian companies, where investor trust is frequently weak owing to market volatility and worries over governance. Strong earnings per share (EPS) are crucial measures that reassure stakeholders about the company's capacity to maintain its listing status. These metrics indicate that the company is in good financial health and functions efficiently. Taking into consideration this dynamic, it is clear that profitability plays a significant role in creating resilience and long-term sustainability in public markets.

According to the log of size (ls) variable, which has a positive coefficient of 0.1894 ($p < 0.001$), it may be inferred that larger enterprises are more likely to delist in the context of India. It may appear contradictory to uncover this information, given that larger companies often have more resources available to them in order to fulfil regulatory requirements and keep their market presence. In contrast on the other hand, this result is influenced by a number of factors in developing markets such as India. The compliance and governance standards that are expected of larger companies are often more stringent. When regulatory frameworks expand to incorporate more severe disclosure and reporting duties, the related expenses of satisfying these standards can become expensive. This is especially true when the standards themselves become more stringent. The voluntary delisting of a company may become a strategic option in such circumstances, with the goal of reducing regulatory burdens and streamlining operations. Gelter and Thel (2024) point out that larger companies operating in emerging countries frequently come under more scrutiny, which further influences choices to delist their shares. Another explanation might be found in the fact that a significant number of enterprises in India are run by families. It is possible that larger companies that are dominated by family ownership would pursue delisting in order to consolidate control and improve the flexibility of decision-making. Leaving public markets allows these companies to operate with fewer external restraints and without the need to prioritize short-term market expectations (Kashefi Pour & Lasfer, 2013). This allows them to do business more efficiently. This finding highlights the intricate relationship that exists in India between the size of a company, its governance, and the levels of regulatory pressure. Large scale presents a number of operational advantages; nevertheless, it also presents a number of obstacles, which may make delisting an appealing choice for businesses that are wanting to strike a balance between control, expenses, and the dynamics of the market.

The current ratio (cr) has a coefficient of -0.0291 ($p = 0.355$), which indicates that there is no statistically significant link between the current ratio and the risk of delisting experienced by Indian companies. This conclusion implies that liquidity may not play a critical role in determining whether corporations continue to be publicly listed or delist. This is despite the fact that liquidity, as measured by the current ratio, is frequently thought to be an essential indicator of a company's capacity to satisfy its short-term commitments. Considering the Indian context, it is very probable that other considerations, such as profitability, governance, and market circumstances, have a more significant impact on the decisions about delisting. This conclusion is consistent with the research conducted by Gelter and Thel (2024), which emphasizes the low predictive potential of liquidity measurements in terms of comprehending the risks associated with delisting products. The significance of liquidity as a stand-alone metric might be diminished in developing markets such as India due to the presence of structural inefficiencies and volatile market conditions. As a result of various constraints, such as the expense of compliance, the desire to consolidate ownership, or governance-related problems, companies that have excellent liquidity may nonetheless choose to delist their shares. Furthermore, the lack of relevance may be a reflection of the linked nature of financial measures. When taken by itself, liquidity may not be sufficient to accurately reflect the entire financial health of a company or its strategic ambitions. Considering that governance structures and family ownership sometimes take

precedence over decision-making in Indian companies, issues regarding liquidity may be relegated to a secondary position in comparison to other considerations, such as profitability (for example, profits per share) or strategic goals, such as privatization. In conclusion, although liquidity is essential for operational stability, its function as a driver of delisting in Indian companies is eclipsed by other criteria that are more significant, such as the quality of governance and profitability.

At the 10% level, the Earnings Power to Debt (ED) variable has a marginally significant negative link with delisting risk. The coefficient for this variable is -0.0331, and the p-value for this relationship is 0.066. This indicates that companies that have higher profitability in comparison to their levels of debt are less likely to opt out of the stock market. When the EPD ratio is greater, it suggests that a firm generates adequate earnings to comfortably handle its debt commitments. This information conveys to investors that the company is in good financial health and that its operations are stable. Companies that have a larger earnings power in comparison to their debt indicate that they are able to retain their solvency and fulfill their financial commitments, which alleviates concerns about the possibility of falling into financial trouble. Investor confidence is essential in countries such as India, where external loan markets are less established and enterprises frequently rely on internal finance or stock markets for capital (Kashefi Pour & Lasfer, 2013). This stability helps to create investor trust, which is essential in markets such as India. The capacity of a company to create good earnings in relation to its debt also increases the appeal of the company to creditors as well as equity investors, which further reduces the risks associated with possible delisting. The findings of this study are consistent with research that suggests that measurements of financial health, such as the capacity to properly service debt, have an important role in retaining market presence, particularly in emerging economies (Liao, 2020). In addition, a larger earnings power in comparison to debt may also make it possible for businesses to pursue chances for expansion while still completing their financial responsibilities, so reaffirming their commitment to market participation. Despite the fact that the marginal relevance implies that other variables impact delisting choices, ED emphasizes how important it is to strike a balance between the creation of revenues and the responsibility of managing debt. Companies that have greater ED ratios not only lessen the likelihood of experiencing financial trouble, but they also have a strong capability to continue operating, which makes the possibility of delisting a far lower probability.

There is no substantial influence on the risk of delisting, as indicated by the fact that the debt-to-equity ratio (de) has a coefficient of -0.0036 ($p = 0.827$). This outcome is in line with the idea that debt levels alone might not be sufficient to determine whether or not a company should be delisted. According to Dodge, Karolyi, and Stulz (2008), the characteristics that are more important are the quality of debt management and how well it aligns with the overall strategy of the company. It is possible for Indian companies to rely on debt as a growth facilitator, which can help mitigate the potential adverse consequences of debt on market survival.

It can be concluded that there is no significant association between delisting and the total asset turnover (tat) variable, as indicated by the coefficient of 0.0044 ($p = 0.974$). It is possible that this conclusion is a reflection of the more general market dynamics in India, where the efficiency with which assets are utilized does not immediately correspond with market longevity. Studies conducted by Mandali and colleagues (2015) indicate that structural inefficiencies frequently reduce the effect of operational indicators such as asset turnover in economies that are still in the process of developing.

A coefficient of -0.0181 for the turnover of fixed assets (ft) indicates that there is no significant influence, as indicated by the p-value of 0.315. As a result of this finding, it appears that the efficiency of fixed assets might not be the most important element in evaluating the risks of delisting for Indian companies. According to Mandali et al. (2015), it is more likely that larger profitability and governance variables play more significant roles.

Statistically significant positive correlation between delisting risk and the operating profit margin (opm) variable is shown by a coefficient of 0.0211 ($p = 0.030$), which suggests that the connection is

positive. This shows that companies with larger operational profit margins are more likely to delist, which is a conclusion that may appear to be contradictory given that profitability is frequently linked with stability and market resilience. This conclusion, on the other hand, sheds light on a distinct perspective regarding delisting, particularly in the context of voluntary delistings among extremely profitable companies. Companies that are extremely profitable could decide to delist their shares as part of a strategic choice to privatize or reorganize their business. The desire to avoid the regulatory restrictions, compliance expenses, and public attention that are associated with being a listed business is frequently the driving force behind choices and actions of this nature. In their argument, Gelter and Thel (2024) suggested that businesses that have strong profitability are in a better position to fund privatization activities. This would enable these businesses to function more freely without being constrained by the demands of the public market. Delisting may provide prosperous companies with greater freedom in decision-making and the ability to focus on long-term goals without the burden of quarterly performance announcements. This is especially true in nations such as India, where regulatory requirements for public corporations may be complicated and demanding. Furthermore, family-controlled or closely owned businesses, which are prevalent in India, can favor privatization as a means of consolidating ownership and strengthening control. When a company's profitability fits with its larger operational and financial goals, it may also aid strategic decisions to depart public markets. This research highlights the fact that profitability, which is often thought to be a stabilizing element, can assist in making such decisions.

With a coefficient of -0.0813 ($p = 0.049$), the retained earnings to total assets (Reta) variable demonstrates a statistically significant negative link with delisting risk at the 5% level. This holds true even when controlling for other factors. Based on this conclusion, it can be deduced that companies that have retained earnings that are larger in comparison to their total assets are less likely to delist. The retained earnings of a company serve as an essential financial reserve, enabling the company to self-finance its operations, investments, and development efforts without having to rely substantially on funding sources from its external environment. Due to the fact that this financial independence serves as a buffer against economic uncertainty and market volatility, the chance of experiencing financial difficulty, which might result in delisting, is dramatically reduced. Given the dynamic character of the capital markets in India, this conclusion is especially noteworthy when considered in the context of Indian companies. In certain cases, gaining access to external finance might be difficult because of factors such as insufficient market depth, legal restraints, or excessive borrowing costs. Companies that have a substantial amount of retained earnings are in a better position to overcome these obstacles and continue to comply with listing requirements. Liao (2020) underlined that internal finance plays a vital role in guaranteeing market resilience, particularly in emerging economies where external capital markets may not be fully established or dependable. This is in line with what Liao (2020) has said. More retained earnings also signal to investors that the company is financially stable and has long-term planning in place, which in turn fosters more confidence in the company's capacity to continue its operations and maintain its position in the market throughout the years. Businesses have the ability to improve their financial health and alleviate the constraints that may otherwise result in voluntary or involuntary delisting if they can demonstrate that they consistently reinvest their revenues into productive assets or opportunities for development. This exemplifies the dual function of retained profits, which serves as both a financial cushion and a sign of responsible financial management.

There is a statistically significant negative link between the board size (bs) variable and the likelihood of delisting, as indicated by the coefficient of -0.1999 ($p < 0.05$). According to this result, companies that have boards of directors that are smaller are more likely to delist. When it comes to properly guiding business strategy and ensuring compliance with listing requirements, boards that are smaller may lack the diversity of knowledge, opinions, and monitoring that is essential. There is a possibility that inadequate monitoring might result in governance processes that are less effective,

decreased accountability, and lost chances to resolve operational difficulties, which would ultimately increase the likelihood of delisting. Bonfanti et al. (2017) brought attention to the fact that bigger boards play a significant role in the development of more robust governance frameworks. Boards that are larger bring with them a wider variety of expertise and experiences, which enables them to better supervise management and ensure that they are aligned with the interests of shareholders. In the case of Indian companies, where governance difficulties are frequently exacerbated as a result of family ownership and concentrated control, the inclusion of a bigger and more diverse board can serve as a counterweight, therefore improving accountability and lowering the risk of delisting.

The CEO dualism (ceod) variable has a coefficient of 0.3237 ($p = 0.073$), which indicates that it is marginally significant at the 10% level. This suggests that companies in which the CEO simultaneously serves as the board chair may be more susceptible to delisting risks. The consolidation of decision-making authority in the hands of a single company's chief executive officer (CEO) can result in governance disputes and a reduction in supervision. This kind of concentration of authority may make it more difficult for the board to independently monitor and assess the actions of the CEO, which in turn raises the possibility of strategic blunders or failure to comply with regulatory standards. The issues that CEO duality presents to governance were highlighted by Bonfanti et al. (2017). They pointed out that CEO duality can weaken accountability and lead to actions that favor the interests of the CEO over those of shareholders. In the context of India, where many businesses are held by families, the presence of a dual chief executive officer can compound governance problems, further raising the likelihood of delisting. These findings, taken as a whole, highlight the fundamental relevance of governance structures, which include the makeup of boards of directors and the separation of executive and oversight functions, in terms of preserving market presence and minimizing the possibility of delisting.

Conclusion:

This survival study of Indian companies sheds insight into the intricate interaction of financial, operational, and governance aspects that influence the risks associated with delisting their shares. In order to ensure the continued existence of the market, the possibility of delisting is greatly impacted by factors such as profits per share (EPS), leverage, retained earnings, and board size. This highlights the crucial relevance of profitability and governance in guaranteeing market life. In the meanwhile, indicators such as liquidity and asset turnover demonstrate a limited importance, highlighting the contextual character of the factors that determine delisting in emerging markets such as India. It is imperative that policymakers and businesses emphasize policies that improve the quality of governance and financial stability in order to maintain market participation and mitigate the risks associated with delisting. By addressing these aspects, Indian companies have the ability to attract the trust of investors and assure their continued resilience in public markets over the long term.

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