



TOPIC: LEGAL RESEARCH METHODOLOGY IN CORPORATE RESTRUCTURING: ANALYSING BANKRUPTCY AND REORGANIZATION

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ABSTRACT

The ways in which corporate restructuring functions in today's business environment highlight the crucial point at which operational plans and legal frameworks converge. Legal research becomes increasingly important as businesses navigate financial crisis because it helps them comprehend the complex aspects of bankruptcy and restructuring. This research paper explores the many facets of legal research technique in the context of corporate restructuring, examining its importance, difficulties, and consequences. By means of an extensive examination of case studies, including those pertaining to General Motors, Enron, YES Bank, and Bhushan Power Steel, the study clarifies the critical function that corporate governance and quantitative analysis play in determining the results of restructuring initiatives. It emphasizes the significance of strong legal frameworks and efficient risk management procedures in reducing regulatory scrutiny and guaranteeing compliance by utilizing qualitative and quantitative research methodologies. The paper promotes an all-encompassing strategy for corporate governance that protects the integrity and financial stability of businesses going through restructuring difficulties by encouraging responsibility, transparency, and stakeholder participation.

Keywords: Corporate restructuring, Legal research methodology, Bankruptcy, Reorganization, Quantitative analysis, Corporate governance, Regulatory compliance, Risk management, Stakeholder engagement.

INTRODUCTION

The convergence of law and business becomes an extremely important sector in the fast-paced world of corporate restructuring, which puts a company's capacity to maintain its financial stability in jeopardy. The complexities of the regulations governing bankruptcy and reorganization have a significant impact on the outcomes for companies that are experiencing severe financial hardship. In these entangled circumstances, legal research emerges as an essential instrument. It provides a prism through which we may examine the significant legal issues and numerous methods that influence the path that corporate restructuring takes. This study initiative dives deep into the fundamentals of this complex topic, with the goal of not only analyzing the

complicated legal complexities but also shedding light on the theories and approaches that support the investigation of bankruptcy and reorganization in the context of corporations. When we set out on this process, one of our goals is to comprehend the strategies, policies, and results that define corporate restructuring within the complicated tapestry of the legal realm. This will allow us to unravel the legal fabric that binds the fate of organizations that are in a state of instability.

LITERATURE REVIEW

1. The author in the book, “**Legal Research Methodology**¹” covered methodological ideas and abilities linked to legal research in a thorough way. It also covered upcoming issues and concerns in the field, as well as current trends and newly developed technology tools.
2. The author in the book, “**Legal Education & Research Methodology**²” explains the fundamentals of legal education, gives a summary of the legal research process, and assists readers in creating persuasive legal documents.
3. The author in his paper, “**Combining Methods in Legal Research**³” assess the application of combining research methods approach in legal research, based on two traditions: doctrinal and socio-legal research.
4. The author in her article, “**Corporate Restructuring – Meaning, Types, and Characteristics**⁴” discusses the corporate restructuring process and its types.

RESEARCH QUESTIONS

1-What are the major legal research techniques, difficulties and issues involved while researching in the domain of corporate restructuring with specific emphasis on bankruptcy and reorganization? How do they impact or influence the selection of research methodologies?

2- What primary and secondary resources can be used by the researcher in this area of research?3- How can legal researchers use data assessment and analysis methodologies to generate insightful findings and conclusions in this area?

RESEARCH PROBLEM

In corporate restructuring, researchers face potential challenges by focusing primarily on savings and restructuring. Because this area of law is characterized by complex legislation, ever-changing judicial decisions, and a variety of stakeholder concerns, it requires a deeper understanding of potential legal review techniques that have explored these complexities.

The problem that this research study seeks to address is the need to identify an appropriate set of legal analytical methods that researchers can use in analyzing corporate restructuring processes, particularly bankruptcy and restructuring. Researchers can use these methods in analyzing corporate restructuring. There is no detailed guidance on the procedures that should be used for regulatory review in this area, although this regulatory approach is of critical importance to companies, investors, shareholders, creditors and employees due to limited availability guidance.

This description of the problem of defining regulatory review methods prepares the basis for examining the challenges and difficulties in the regulatory review process that are characteristic of corporate restructuring, bankruptcy, and restructuring. It places an emphasis on the requirement for methodical approaches and direction in the process of carrying out legal research in this specialized field of the law.

¹ Manoj Kumar Sinha&DeepaKharb,Legal Research Methodology(Lexis Nexis 2017).

²Dr.S.R. Myneni, Legal Education & Research Methodology(Allahabad Law Agency 2020).

³ Khadija Mohamed, *Combining Methods in Legal Research*, Medwell Journals 5191,(2016).

⁴Annapoorna, *Corporate Restructuring – Meaning, Types, and Characteristics*, Clear Tax,(Oct 2, 8:00 am),<https://cleartax.in/s/corporate-restructuring>.

RESEARCH HYPOTHESIS

An in-depth grasp of the legal complexities and statistic findings in corporate restructuring research is made possible by a mixed research methodology approach that combines both quantitative and qualitative techniques.

RESEARCH METHODOLOGY

Research Methodology adopted in this paper will be doctrinal and analytical research. Since it provides a more thorough grasp of the research issue, as it incorporates both qualitative and quantitative research approaches. It enables researchers to combine findings from many data sources and research techniques, improving the efficacy and scope of the study. The aforementioned approach was adopted to navigate the complex nature of the research topics and enable a thorough examination of the related financial and legal concerns.

1.SIGNIFICANCE OF LEGAL RESEARCH IN CORPORATE RESTRUCTURING

1.1 OVERVIEW OF CORPORATE RESTRUCTURING

The term "corporate restructuring" refers to a business entity's major modification of its capital structure or activities. It typically takes place when a company is facing serious issues and faces financial instability. Corporate restructuring is seen as a crucial procedure for ending the financial crisis and improving the operation of the business. A financial and legal specialist is hired by the management of the affected corporate entity, which is experiencing financial difficulties, to provide advice and support throughout discussions or negotiations and transaction processes.⁵

Typically, the concerned party may consider debt financing, streamlining operations, or offering any part of the business to potential investors. Furthermore, once a company's structure of ownership changes, corporate restructuring becomes necessary. This shift in the form of ownership of the company could result from a takeover, merger, unfavorable business conditions, buyouts, bankruptcy, a lack of integration between the divisions, overstaffing, etc.⁶

1.2 TYPES OF CORPORATE RESTRUCTURING

FINANCIAL RESTRUCTURING:

A sharp decline in overall transactions as a result of unfavorable financial circumstances may give rise to this form of reconstruction. In this case, the corporation substance may alter its cross-brief delay, value property, obligation revamping strategy, and value design. The market and the organization's performance are supported by this action⁷.

ORGANISATIONAL RESTRUCTURING:

This refers to modifying an organization's organizational structure by, for example, lowering its standing in the hierarchy, increasing the status of roles held, reducing the number of representatives, and altering the reporting relationships. This kind of reconstruction is carried out in order to lower costs and fulfill the outstanding responsibility to carry out corporate operations in some capacity.⁸

1.3 REASONS OF CORPORATE RESTRUCTURING

Corporate restructuring takes place in the following situations⁹:

Change in the strategic plan

By eliminating certain departments and auxiliary services that do not fit with the organization's core system, the management of the problematic element tries to improve the way it performs. The division

⁵Annapoorna,*supranote* 4.

⁶*Id.*

⁷CORPORATE RESTRUCTURING,LEGAL RAASTA,(Oct. 2, 2023, 6:52 pm), <https://www.legalraasta.com/blog/corporate-restructuring/>.

⁸*Id.*

⁹*supranote* 7.

or auxiliary may not appear to be purposefully aligned with the organization's long-term goals. For this reason, the business side decides to focus on its core process and eliminate these resources for the anticipated buyers.

Deficit of profits

Financial difficulties could result from the project if it does not provide enough benefits to cover the organization's capital expenses. A bad performance of the endeavor could result from an ill-advised decision made by the management to start the division, or it could be caused by a drop in performance due to changing client wants or rising expenses.

Reverse Synergy

This notion contrasts with cooperative energy standards, in which the value of a unified unit is generally greater than the value of each person's units. The value of an isolated unit may exceed that of a combined unit, according to invert cooperative energy. This becomes one of the standard justifications for depriving the organization of its resources. The party in question may decide that giving up a division to an outsider is a better value option than trying to claim it.

Requirement for Cash Flow

The firm may receive a substantial financial infusion by canceling a pointless project. Removing a resource is a way to acquire money and settle previous debts in the unlikely event that the involved corporate element is having difficulty obtaining financing.

Essential Considerations to Take Into Account for Corporate Restructuring Strategies¹⁰:

- Issues with law and administration
- Financial features
- Human and Cultural Synergies
- Finance and approximation
- Aspects of taxes and stamp duty
- Competition characteristics, etc.

1.4 LEGAL FRAMEWORK OF CORPORATE RESTRUCTURING

The growth and development of the corporation are significantly influenced by mergers, acquisitions, and downsizing; these activities are governed by a number of laws. These schemes are governed by a number of statutes, regulations, rules, orders, and notifications, and they are implemented by a number of sectoral regulators, including the Central Government, RBI, SEBI, CCI, RoC, and others.¹¹

1.5 CORPORATE RESTRUCTURING AND INSOLVENCY PROCESS

Both bankruptcy resolution and corporate restructuring seek to address financial issues within a company, but they do so in various ways and with distinct outcomes. For this reason, they are connected.

Corporate restructuring is the process of making internal adjustments to a financially troubled firm in order to improve its viability and health. This could entail adjustments to the capital structure, management, ownership, or operations of the business. Improving the company's financial standing and ensuring its long-term viability without going bankrupt is the ultimate goal of corporate restructuring. On the other hand, insolvency resolution works to lessen financial hardship by either selling off the company's assets to satisfy creditors or rehabilitating it through a resolution plan. Maximizing creditor recovery while either regaining the business or carefully

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Corporate Restructuring Law in India, Vakil Search,(Oct 3, 12:40 pm), <https://vakilsearch.com/blog/corporate-restructuring-law-india/>.

¹¹AashikaGoyal,*An overview of corporate restructuring and related aspects*,(Oct 3, 12:45 pm),<https://blog.ipleaders.in/an-overview-of-corporate-restructuring-and-related-aspects/>.

shutting it down is the aim of insolvency resolution. Corporate restructuring is often the first action taken when a corporation is experiencing financial difficulties. A number of strategies, including debt restructuring, mergers, acquisitions, divestitures, and cost-cutting plans, may be used to improve financial stability. Preventing the company from going bankrupt is the aim. If corporate restructuring strategies cannot be implemented successfully, the company may proceed to the insolvency resolution stage. At this point, the focus shifts to a structured process overseen by creditors, adjudicating authorities, and insolvency specialists in order to determine the best course of action, which might be liquidation or resolution.¹²

Furthermore, the Indian IBC 2016 recognizes the connection between insolvency resolution and business reorganization. It offers a methodical procedure for both situations. In the event that a company is unable to manage its financial crisis through corporate restructuring, the IBC states that the company may initiate the formal insolvency resolution procedure. As a form of corporate restructuring to help struggling companies get back on their feet, the IBC also encourages investors to submit resolution plans. Additionally, there can be situations where a combination of insolvency resolution and business restructuring is feasible. For instance, a resolution plan under the IBC can ask for a modification to the company's financial structure or management as part of the rehabilitation plan for the business. This demonstrates how flexible the bankruptcy framework is in utilizing aspects of corporate reorganization to get the best outcomes for all stakeholders.¹³

1.6 ROLE OF LEGAL RESEARCH IN CORPORATE GOVERNANCE OF A COMPANY

A company's legal expansion is undetermined. But the "market" poses a continual danger to its existence. When it isn't able to compete against its colleagues, it loses business to others. Every other firm is its predator; through a range of hostile or cooperative reforms, a company swallows another company for its own growth. More businesses are frequently destroyed through creative destruction than are created. So, it's imperative to prevent a company with a sustainable business from dying too soon and to nurse it back to health while simultaneously pursuing higher growth through the promotion of competition and innovation as well as the eradication of anti-competitive behavior in the marketplace. This brings us to the purpose of corporate governance, which is to guide a company's growth or demise from the very beginning, depending on how well-run it is. The set of guidelines, procedures, and practices that regulate how a business is run is known as corporate governance. It primarily entails striking a balance between the interests of a business's numerous stakeholders, including investors, senior management, clients, suppliers, lenders, the government, and the society at large. The operations of a company and ultimate profitability may be called into question by poor corporate governance, which may potentially result in the company's insolvency and put its creditors at serious risk. Instead of focusing on loan repayment rates, corporate governance would be better served by keeping a closer eye on who receives loans and how they are used.

When it comes to keeping a business in compliance with corporate governance rules and regulations, legal research is essential. Researchers can keep tabs on modifications to legislation pertaining to corporate governance and make sure that the business's operations comply with these regulations. By doing this, the company lowers its risk of legal action and penalties by ensuring that it works within the limitations laid down by the government at large. Legal scholars possess the ability to recognize possible legal hazards linked to company governance. For the purpose of identifying any potential gaps in compliance with laws, they can examine the company's governance structure, board roles, and decision-making procedures. By being proactive, legal risks are reduced before they become more serious. Risk evaluations pertaining to corporate governance might be aided by legal studies. Scholars possess the ability to recognize possible legal problems and offer suggestions for reducing these risks. This involves determining how different governance choices will affect the company's legal position. During due diligence procedures, legal research is crucial when it comes to businesses that are predators and are purchasing other businesses. Scholars have the ability to examine the legal

¹²ChelcieAgrawal, *CORPORATE RESTRUCTURING AND INSOLVENCY RESOLUTION: ANALYSIS OF THE INSOLVENCY AND BANKRUPTCY CODE (IBC) IN INDIA*, (Oct 3, 12:50 pm) Legal Vidhiya, <https://legalvidhiya.com/corporate-restructuring-and-insolvency-resolution-analysis-of-the-insolvency-and-bankruptcy-code-ibc-in-india/>.

¹³*Id.*

status of the target company's contracts, governance, and compliance record. This lowers the possibility of acquiring legal issues and aids the purchasing corporation in making wise judgments.

A corporation that implements a sound corporate governance approach won't ever become insolvent since corporate governance is just a means of operating a business in the real world of business, which covers every facet of a business. As a company begins its corporate journey, it must adhere to certain rules and practices. It must also balance the interests of its various shareholders and creditors until it reaches its ultimate profitability. This ensures that the interests of shareholders and creditors are maintained in the company, and that a company never enters a situation where it becomes insolvent and files for bankruptcy.

If a corporation follows a strong corporate governance strategy, it will never go bankrupt since corporate governance is just a way of managing a business in the real corporate world, which covers every facet of a business. A company's interests as well as those of its various shareholders and creditors must be maintained throughout its entire existence, starting with the regulations and procedures that it must follow when starting its corporate route and ending with its ultimate business profitability. A company never enters a situation where its creditors, lenders, and shareholders would face bankruptcy because they know that their money will always be well-managed.

So here legal research plays a vital role in protecting companies. Here doctrinal legal research can be used which can involve researching legal norms and concepts in relation to risk management, compliance, and corporate governance. Researchers can examine laws, rules, court decisions, and legal publications to comprehend the legal structure guiding these domains. Analytical research can also be done. One type of qualitative research is analytical legal research. This particular kind of research entails the application of methodologies for critical thinking as well as the assessment of data and facts in relation to the study being carried out. When conducting legal research, attorneys frequently take an analytical approach to uncover the most pertinent data. One can learn important information via analytical study to infuse fresh concepts into the work being created.¹⁴

Every business should be aware of the bankruptcy and restructuring process because running a business or being an entrepreneur involves taking risks in order to make money and expand the enterprise. Even with a calculated risk, there is always a chance that it may fail and the company would lose out as a result. Hence, a firm needs rules and guidelines to operate under, as well as a management staff to oversee these businesses and strive for the greatest successes and triumphs for them. However, there are situations when the risk is actually a poorly calculated combination of opinions and ideas that lead to large losses, costs, loans, and other poor decisions that can force a business into bankruptcy. As a consequence, the business may end up in the control of someone else or simply close, which is even worse for the human resources associated with that business. The governance's goal completely becomes superfluous. This type of scenario is prevalent in many businesses, namely in startups and micro and tiny businesses. Therefore, in the event that a large company has its shares publicly floated, there is a need for a good restructuring process to be followed that adheres to regularities and legalities in order to save not only the company but also the people and resources involved, i.e., the employees, creditors, and public associated with it. Businesses that are in a situation where they are unable to make ends meet are referred to as distressed corporate debtors. Lenders who do not receive their profits back are referred to as creditors, and this category includes operational, financial, secured, and unsecured creditors. A business is considered to be becoming insolvent when it has debt to its creditors, is experiencing losses on a regular basis, has high costs, cannot pay its employees, and lacks the resources and liquidity to pay for its operations. In addition, if a business is not managed well or by competent executives, it may eventually become bankrupt due to human error. Certain corporations also involve foreign creditors, which increases the risk that the corporation will not be able to satisfy these parties. Additionally, certain corporations have assets located in foreign jurisdictions that are not subject to domestic laws and regulations, so these entities must have an international perspective and cross-border applicability of laws and legislations. The process of restructuring and insolvency

¹⁴*Types of Legal Research*, LEGAL DESK, (Oct 3, 12:50 pm), <https://legodesk.com/blog/legal-practice/types-of-legal-research/>.

has been developed with provisions and laws, which is the Insolvency and Bankruptcy Code, 2016 of India, in order to save the corporates and the economy of the business industry. Preventing the companies from going bankrupt or insolvent is the goal of this code. Restructuring the firm's objectives, management, governance, strategy, and other components that are necessary to keep a corporation from going bankrupt is one of the processes used to keep corporations from being insolvent and ultimately bankrupt. Reorganizing businesses, addressing obstacles and goals that need to be changed, amalgamating, merging, or acquiring companies, liquidating assets domestically or abroad when needed, and receiving financial assistance in a timely manner are all part of the restructuring process. The ultimate goal is to maximize the value of the company's assets and maximize corporate profits while shielding financially troubled debtors from creditors. The Insolvency and Bankruptcy Board of India (IBBI), which is the regulatory body responsible for supervising insolvency proceedings and entities such as professional agencies, insolvency professionals, and other insolvency and restructuring professionals and committees, with the assistance and guidance of the National Company Law Tribunal (NCLT), are among the numerous committees and processes involved in the restructuring process. These include the Committee of Creditors (CoC), the Corporate Insolvency Resolution Process, which serves as a recovery mechanism for the creditors of a corporate debtor.¹⁵

Researchers also must continue to stay up to date on legislative revisions and comprehend the functions of regulatory agencies such as the Insolvency and Bankruptcy Board of India (IBBI). This rigorous approach enables scholars to offer significant perspectives, advise policymakers, and promote well-informed choices in the area of corporate restructuring and insolvency.

Legal research plays a crucial role in analyzing corporate governance shortcomings by utilizing many approaches, including doctrinal research and analytical research. Researchers help to improve understanding of the variables that lead to business closures, bankruptcies, and legal actions against corporate leaders by exposing the legal complexities and governance shortcomings in these cases. Additionally, this study helps regulators and legislators put policies in place that will improve corporate governance and stop similar mistakes from happening in subsequent years.

2. MIXED RESEARCH APPROACH IN CORPORATE RESTRUCTURING

2.1 RESEARCH DESIGN AND FRAMEWORK

A methodical and planned technique to conduct research is the research design process. In order to guarantee that the study is legitimate, trustworthy, and yields significant findings, the procedure is crucial¹⁶:

1. Consider the essence about your goals and strategies:
2. Determine a kind of research design:.
3. Determine sample technique and population:
4. Determine data gathering techniques:
5. Create a plan for data collection methods:
6. Choose your data analysis techniques:

Successful research requires a well-designed research plan that guarantees that resources must be realistic and offers insightful information in a clear and relevant manner.

2.2 OVERVIEW OF MIXED RESEARCH

Numerous words, including integrating, synthesizing, quantitative and qualitative techniques, triangulation, multimethod, and mixed methodology, are used to describe the combination research strategy; nevertheless, the

¹⁵DhruvBhalla, *Insolvency & Restructuring in relation to Corporate Governance*, (Oct 3, 1:00 pm), <https://taxguru.in/corporate-law/insolvency-restructuring-relation-corporate-governance.html>.

¹⁶*Research Design: What it is, Elements & Types*, QuestionPro, (Oct 3, 1:05 pm), <https://www.questionpro.com/blog/research-design/>.

term "mixed methods research" has been popular in recent literature. In summary, the fundamental features of a mixed methods approach involve the integration or combination of methodologies, a study design orientation that encompasses both qualitative and quantitative forms, and a corresponding philosophy. Although the use of mixed methods is debatable because quantitative and qualitative methods have different epistemological stances, it is becoming more accepted in the research community. Any one methodological approach to a topic should not yield greater reliability than the use of several different and distinct methods, according to experts on the subject. This approach should also add accuracy, broadness, level of complexity, variety, and thoroughness to the research, if identical outcomes are reached. Furthermore, as Bryman (2009) pointed out, this methodology also gives the researcher the freedom to use any techniques and data sources that make sense to investigate a study issue in the goal of producing thorough and comprehensive results.¹⁷ Sometimes different research methods can be used in a single study for different research questions.

Mixed methods research, which combines quantitative and qualitative research, has become more common due to the growth and perceived validity of both types of research in the social and human sciences. The growing acceptance of mixed methods research can be attributed to the ongoing evolution and development of research technique, which leverages the advantages of quantitative as well as qualitative techniques. The kind of research known as "mixed methods" research is essentially described as the application of both quantitative and qualitative research techniques, approaches, methodologies, concepts, or terminology in one research study. Mixed methods research, by definition, entails the collection and analysis of data that is qualitative as well as quantitative.¹⁸

2.3 QUALITATIVE COMPONENT

The purpose of qualitative research is to comprehend, explain, and interpret occurrences, problems, or objects. It is mainly dependent on human perception and comprehension. It has to do with judging the situation, attitude, and social or legal issue subjectively. Finding the underlying causes of human behavior is a goal of the behavioral sciences, where qualitative research is essential. A qualitative method focuses on the subjective evaluation of beliefs, attitudes, and actions.¹⁹

Since the beginning of the subject, strategic management has benefited greatly from the use of qualitative research. The open-ended, vivid, rich, and nuanced nature of qualitative data allows for a more in-depth and ecologically sound knowledge of organizational tactics and strategy formulation. Numerous approaches are used in qualitative research, such as process analysis, multicase theory building, strategy-as-practice, narrative, discursive, and rhetorical approaches, as well as deductive and illustrative case studies. Qualitative research has challenges in the publication process, even while it adds to the body of knowledge on important subjects like alliances, mergers and acquisitions, technological change reactions, corporate governance, managerial cognition, and strategy in entrepreneurial endeavors. However, qualitative methods will be crucial to the development of strategy scholarship in the future and provide a means of comprehending the relationship between strategic management and more general societal issues like crisis management and attaining more inclusion and equity in businesses.²⁰

2.4 ESSENTIALS OF FUNDAMENTAL ANALYSIS

The foundation of fundamental analysis is composed of a few essential elements. Gaining an understanding of these aspects can aid in your comprehension of fundamental analysis. A summary of a few of these factors is provided here.

- The organization of a business
- The money a business makes

¹⁷ Khadija Mohamed, *supra*note 3, at 1.

¹⁸ Harpreet Kaur, *Mixed Methods Research*, (Oct 3, 1:15 pm), <https://www.lawctopus.com/academike/mixed-methods-research/>.

¹⁹ *Legal Research Methodology: Types And Approaches of Legal Research*, iEduNote, (Oct 4, 1:15 pm), <https://www.iedunote.com/legal-research-methodology-types-approaches>.

²⁰ Melissa E. Graebner, *Evolution of Qualitative Research Methods in Strategic Management*, OXFORD ACADEMIC, (Oct 4, 1:25 pm), <https://academic.oup.com/book/39240/chapter-abstract/338766802?redirectedFrom=fulltext>.

- The company's annual profits in any particular year
- A company's profitability compared to prior years
- A company's annual income in any particular year
- The variation in the business's revenue over time
- How much debt a business has
- The aspects of a company's corporate governance
- Anything that the business may possess that is intangible, such intellectual property rights and patents

All of these elements must be considered while doing a company's fundamental analysis.

2.5 QUALITATIVE FACTORS IN FUNDAMENTAL ANALYSIS

The technique of evaluating businesses based on elements that impact their inherent value is known as fundamental analysis. By examining important metrics and economic indicators, it ascertains the fundamental health and performance of an organization. Even though they are more challenging to examine, a company's qualitative aspects are crucial. They are often arbitrary and can have a beneficial or negative impact on the organization because they are not quantifiable. However, some of these qualitative aspects will have a greater impact than others, and it can be difficult to gauge how much of an impact specific factors will have. Customer satisfaction with a company's products, ongoing legal disputes that damage the company's public image, management changes, the company's relationship with important vendors, and possession of cutting-edge technology that offers a competitive edge are a few examples of qualitative factors.²¹

2.6 HOW QUALITATIVE ANALYSIS IS FORMED?

Determine which qualitative aspects increase and which ones diminish the company's worth after first identifying a collection of them. Next, ascertain their respective significance. It is possible to classify the characteristics you are analyzing as having a minimum, negative, or favorable effect.²²

If the company's financials gave you a strong incentive to purchase it, but you later discovered a lot of drawbacks, you might want to reconsider. Potential legal issues, dim prospects for research and development, a track record of subpar customer service, or an insider-heavy board are examples of negative attributes. Your qualitative analysis's conclusions either support or contradict the results of your quantitative study.²³

2.7 QUANTITATIVE COMPONENT

A feature of descriptive legal research methodology is quantitative legal research, which aims to gather measurable data for the population sample's statistical analysis. It is a well-liked research instrument that enables us to gather data and characterize the demographic segment. Through the use of sampling techniques such as online surveys, online polls, questionnaires, etc., quantitative legal research gathers data from both potential and existent sources, the findings of which can be expressed numerically. It's feasible to forecast the future and make adjustments to handle the issue after carefully analyzing these numbers.²⁴

The survey that was done to find out how long it takes for cases to be heard in the high court and how long it takes from the moment the case is filed until a decision is rendered is an example of quantitative research. You can use a form for a complainant satisfaction survey to ask them questions about the procedure, such as how long it took and how frequently they had to come to court.²⁵

²¹ Brian Beers, *How to Use Qualitative Factors in Fundamental Analysis*, Investopedia, (Oct 4, 1:35 pm), <https://www.investopedia.com/ask/answers/qualitative-factors-when-using-fundamental-analysis/>.

²²*Id.*

²³*Id.*

²⁴*supra*note 14.

²⁵*Id.*

2.8 INTEGRATION OF QUALITATIVE AND QUANTITATIVE METHOD IN CORPORATE RESTRUCTURING

Companies typically need to reorganize in order to deal with the constantly shifting market conditions. Nevertheless, advice for leaders on when and how to do so is sometimes contradictory. Should the business modify its current structure or adopt a new one? Will reorganization yield more benefits than drawbacks? Can the task be completed before the environment shifts once more? How much of a change should there be?²⁶

To effectively facilitate restructuring it is beneficial to combine both qualitative research methods. This allows for an understanding of the situation. Here's both approaches can be incorporated;

Quantitative Research:

- **Financial Analysis:** Utilize data such, as statements, revenue trends and cost structures to assess the company's financial health .
- **Market Research:** Conduct surveys and analyze market data to gain insights into customer preferences, market trends and competitive positioning.

Qualitative Research:

- **Employee Interviews:** Gather insights through interviews with employees to understand their perspectives on the restructuring process and its potential impact on morale and productivity.
- **Stakeholder Feedback:** Collect feedback, from stakeholders including customers, suppliers and shareholders in order to identify concerns and opportunities.
- **Case Studies:** Examine case studies and conduct research to learn from failed corporate restructuring efforts .

Mixed Methods Research integrates both qualitative and quantitative data for a view of the organization's strengths, weaknesses, opportunities and threats. Combining these insights can form an effective and well-formulated corporate restructuring strategy.

Sequential Mixed Methods Research can be used in which sequence will be considered for gathering data as well as analyzing that data. To begin, firstly quantitative data can be gathered and then employ qualitative techniques to gain a deeper understanding of the underlying factors.

For, in depth exploration of aspects of the corporate restructuring process, qualitative case study methodology can be employed. This approach offers insights into the dynamics involving humans and organizations.

By combining both qualitative and quantitative research, one can develop a corporate restructuring plan that takes into account financial, operational and human factors. This enhances the chances of achieving a transformation.

Quantitative analysis can be used for financial indicators and market opportunities to analyze bankruptcy and reorganization. A qualitative perspective can measure employee morale and stakeholder behavior, reducing the risk of bankruptcy. Combining the two approaches provides a holistic view of a company's health and contributes to an effective restructuring process. Sequential method approach can delve deeper into causes and solutions, whereas studies of cases provide lessons that are applicable to real-world scenarios and can be learned practically. This integrated strategy makes sure that informed

²⁶Stéphane J.G. Girod

and Samina Karim, *Restructure or Reconfigure?*, Harvard Business Review, (Oct 4, 2:35 pm),

<https://hbr.org/2017/03/restructure-or-reconfigure>.

planning takes place, lowers the likelihood of a company going bankrupt, and improves the effectiveness of corporate restructuring.

3-REPERCUSSIONS OF INADEQUATE LEGAL RESEARCH IN CORPORATE RESTRUCTURING

Corporate governance is one of the most important factors in determining whether the restructuring will be carried out successfully despite compliance with rules and regulations. The consequences include the following:

- Inadequate legal research may lead to legal proceedings which can be filed against the company, including resolving bankruptcy filings or challenges to the reorganization plan. Successful legal reforms should be made for the company and its advisors at the company governance structures to address such problems. This could result in legal proceedings being taken against the corporation, including the dismissal of bankruptcy filings or challenges to the restructuring plan. Comprehensive and exhaustive legal research for the corporations should be done by its managerial staff and its advisers in the corporate governance structure to address such problems.
- Inappropriate decisions in corporate restructuring may result from inadequate legal research analysis, which can be prevented by due diligence. This may lead to inappropriate implementation of restructuring solutions, which may not overcome corporate financial challenges handled in an acceptable manner. Poor restructuring can lead to organizational failure or ultimately a widespread financial crisis or instability.
- Inadequate legal research analysis can be a source of disagreement between creditors and stockholders. Creditors may contest the manner in which their complaints are handled, and shareholders may raise concerns about how fairly the restructuring plan is being implemented. This may result in time-consuming and financially burdensome litigation as well as delays in the corporate restructuring process.
- The practice of corporate governance is charged with the duty of protecting the good name of the organization. Inadequate legal research can lead to acts that are detrimental to the company's public image, which in turn can erode the faith of stakeholders and investors. This could have long-lasting effects, including a negative impact on the company's capacity to raise funds and carry out its business operations.
- In the process of business reorganization, failing to comply with legal obligations can lead to regulatory penalties and fines. Because of their infractions, regulatory authorities could impose a penalty on the corporation and its managerial staff, which would make the organization's already difficult financial situation even worse.
- The ineffectiveness of the reorganization, which may have been caused by a lack of proper legal research, may result in a loss of value for the company's assets and for its stakeholders. This may involve the disposition of assets at rates that are lower than the current market value or the issue of new securities on terms that are less advantageous.
- Individuals inside the corporate governance structures, such as the board of directors and executives, may be held individually responsible for the activities they take throughout the entire process of reorganization. A company's senior most officials, those in management, directors, CEOs, and other top-level employees are responsible for overseeing the company's management, which is a crucial aspect of any organization. They use their judgment in managing and dealing with a corporate environment that encourages high risk-taking and makes decisions that range from good to bad, adopting a failing forward method.²⁷ If management does not conduct appropriate legal research, they could be at risk of being sued for breach of fiduciary duty or negligence.

It is the responsibility of corporations to have a strong corporate governance team in order to manage not only the material and ideological prospects, but also to look after the minds behind them. These minds could belong to the company's financial creditors, operational creditors, secured or unsecured creditors, or employees, all of whom are wholly reliant on the company's continued existence,

²⁷DhruvBhalla, *supra*note 15.

prosperity, and expansion. It is reasonable to anticipate that the officers and directors of a problematic business entity will be required to make a variety of difficult decisions as they work to reorganize the affairs of the corporation. When corporation is in the zone of bankruptcy, the officers and directors have fiduciary duties that extend to all stakeholders, including creditors. This may make these judgments more difficult to make.²⁸

For the purpose of the procedure for restructuring, as well as to prevent the company from becoming bankrupt and going insolvent in the end, good corporate governance is an absolute necessity. This will allow the company to manage its issues and employees, develop new strategies, aims, and targets; negotiate, complete, and merge with other businesses; and attempt to earn revenues and obtain cash by transferring or selling the rightful and significant assets of the company.²⁹

3.1 HOW EFFICIENT QUANTITATIVE ANALYSIS CAN BE BENEFICIAL FOR A COMPANY

Effective quantitative analysis helped General Motors emerge from recession, and this is a powerful illustration of how data-driven decision-making can result in profitable organizational reorganization. Its journey from recession to recovery is summarized here, with a focus on quantitative analysis³⁰:

Pre-Bankruptcy Assessment (Quantitative Analysis):

- General Motors experienced significant financial difficulties during the 2008–2009 financial crisis.
- The severity of its financial crisis was made clear by a quantitative study of its financial statements, which included cash flow predictions and debt commitments.
- General Motors made the crucial choice to file for bankruptcy in June 2009 using this data.

Asset Valuation(Quantitative Analysis)

- Quantitative analysis was used to determine the worth of General Motors' assets, which include its factories, trademarks, and intellectual property.
- By keeping valuable assets and selling non-core components, accurate asset appraisal helped General Motors optimize its portfolio for profitability.

Financial Reorganization (Quantitative Analysis):

- Quantitative analysis was crucial in negotiations with creditors during the bankruptcy process.
- Stakeholder support was aided by General Motors capacity to assess its debt obligations and present a restructuring plan founded on accurate financial forecasts.
- By using a quantitative approach, GM was able to reduce a large amount of its debt load, increasing the likelihood of a successful comeback after bankruptcy.

²⁸*Id.*

²⁹*Id.*

³⁰ *General Motors Is Absolutely Killing It, Which Provides An Opportunity To Avoid Past Mistakes*, Seeking Alpha, (Oct 5, 7:00 am), <https://seekingalpha.com/article/4034428-general-motors-is-absolutely-killing-which-provides-opportunity-to-avoid-past-mistakes>.

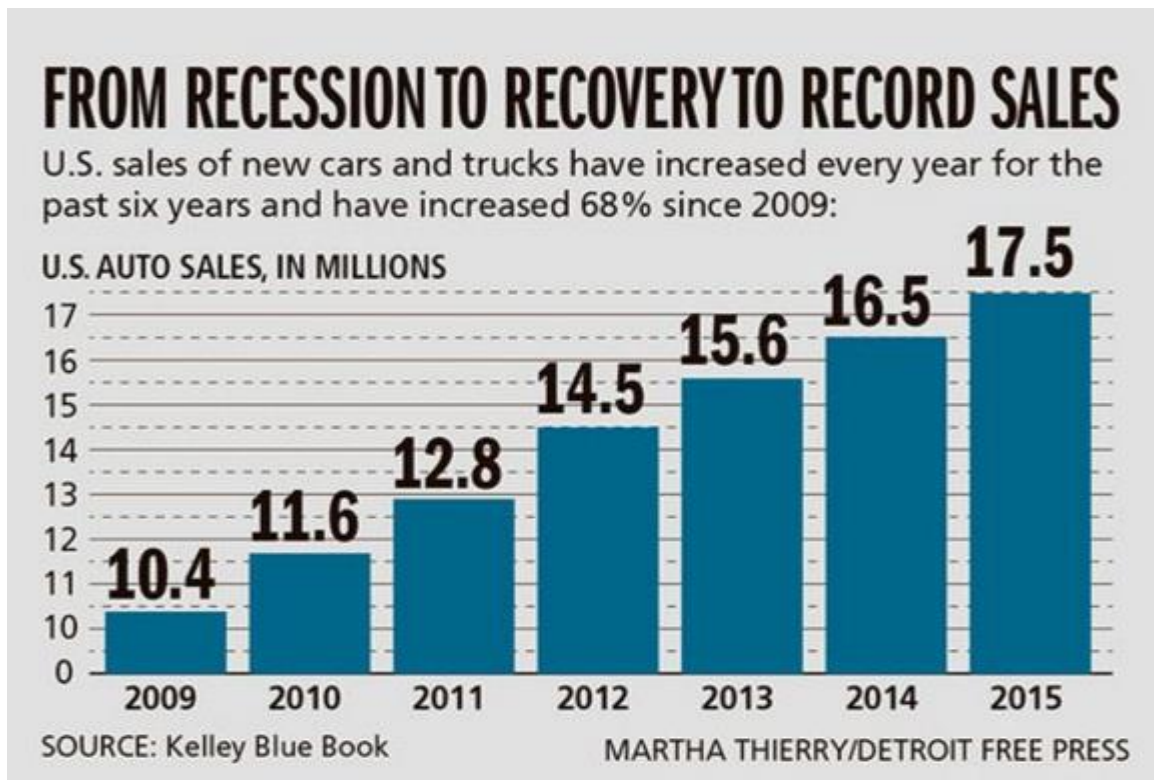


Fig.1-General Motors Recovery³¹

3.2 CONSEQUENCES OF MISUSE OF QUANTITATIVE METHOD

A company may suffer large losses if quantitative method used in financial reporting or decision-making are manipulated. Intentional distortion or misrepresentation of facts can lead to erroneous financial statements, unwise investments, and poor estimates. This may damage investor confidence, prompt ill-advised strategic choices, and have legal repercussions. In the end, it can harm a business's standing and financial security, resulting in significant losses and long-term difficulties.

ENRON SCANDAL³²

Like in the case of the Enron scandal which ultimately resulted in the company's bankruptcy and the liquidation of Arthur Andersen, the auditing firm. Prior to ENRON's bankruptcy, its shareholders lost \$74 billion, while its workers lost their jobs and millions of dollars' worth of pension benefits.

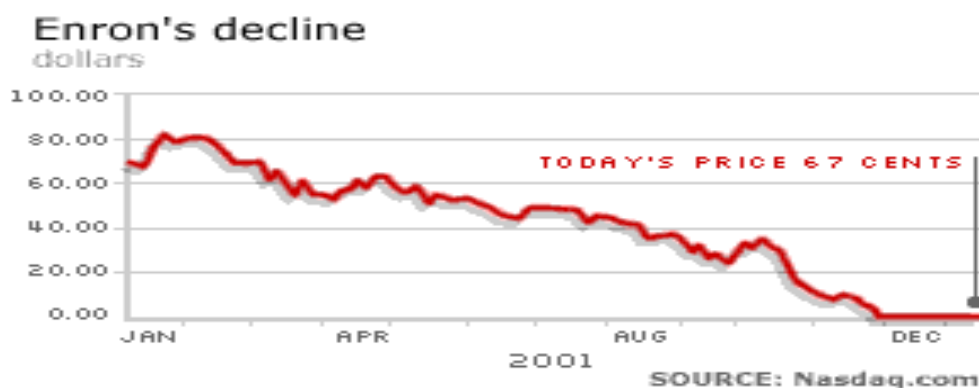


Fig 2:Enron’s Decline in 2000³³

³¹Id.
³²In re Enron Corporation, Case No. 01-16034-AJG (Southern District of New York), Adversary Nos. 03-3522, 03-3721 (Bankr. S.D. Tex. Dec. 9, 2005)
³³Id.

Asset Valuation(Quantitative Analysis)

Enron Corporation is a well-known illustration of a business that suffered a major setback as a result of defective quantitative analysis in corporate governance. One of the most renowned corporate scandals in history, Enron's collapse in the early 2000s was mostly ascribed to a lack of openness and precise quantitative analysis in its financial reporting. Here's a brief:

- **Financial Misrepresentation (Lack of Quantitative Analysis):** Enron used off-balance-sheet corporations to conceal debt and inflate income, among other false financial reporting methods.
- To find these anomalies, the company's leadership executives and auditors in particular, did not do sufficient quantitative research.

Overvalued Assets (Lack of Asset Valuation):

- Enron made significant investments in illiquid assets without doing a suitable quantitative study to determine their actual value, such as energy trading contracts and speculative projects.
- Enron's financial statements significantly overvalued the company due to this inaccurate asset assessment.
- Debt Burden (Lack of Debt Analysis): Enron's financial records did not adequately indicate the size of its significant debt.
- The lack of a thorough debt analysis led to an inaccurate assessment of the company's financial situation.

Bankruptcy and Scandal:

Enron's stock price crashed in response to the revelation of the company's financial mismanagement and dishonest business tactics, which resulted in the company filing for bankruptcy in 2001. A number of high-ranking executives were linked to the affair and had to deal with legal ramifications.

The decline of Enron serves as a lesson on the value of openness and quantitative analysis in corporate governance. The company's manipulation of financial data and inadequate use of quantitative analysis led to disastrous outcomes, such as the loss of investments and jobs for staff. It also had a significant impact on global corporate governance laws and procedures.

There are numerous other examples of well-known businesses that failed as a result of poor corporate governance. Due to their inability to turn a profit and the incapacity of corporate leaders to manage the crisis, numerous small enterprises around the world that were impacted by the Covid-19 pandemic ended up closing. Some of these businesses had taken on bad loans, while others were negatively impacted by poor governance and decision-making. Corporate governance shortcomings have led to the demise of high-profile companies and their bankruptcy, as well as the disappearance of business magnates. Many prominent corporate figures like Rana Kapoor, Chanda Kochhar, the Singh brothers, and many more have been apprehended.³⁴

YES BANK CASE³⁵

In March of 2020, the Reserve Bank of India (RBI) take charge of YES Bank because there was no viable strategy for the bank's recovery and because doing so was in the best interest of the bank's

³⁴ ibid

³⁵ Puja Dilip Pawar, *An analysis of the Yes Bank crisis*, (Oct 8, 7:35 am), <https://blog.ipleaders.in/analysis-yes-bank-crisis/>.

creditors. In 1999, it was established as a non-bank financial business (NBFC), and it transitioned into a full-fledged bank in the year 2003. Its board members engaged in a never-ending struggle for the top position. The company's former Managing Director and Chief Executive Officer, Rana Kapoor, gained widespread acclaim for his role in keeping the market buoyant by allowing the disbursement of loans to corporate customers against opposition from rival banks. The bank demanded an enormous fee up front, and the majority of clients defaulted on their loans at their own discretion. It is a complete and full breakdown of corporate governance, and strong leader within the corporation is to blame.

BHUSHAN POWER STEEL CASE

A look at the situation with Bhushan Power Steel. It was in 1970 when Bhushan Power and Steel was established, and it has since grown to become one of the most successful steel production firms in India. For the purpose of expanding its business and covering its day-to-day operational costs, the company obtained enormous loans and credits from various financial institutions, mostly between the years 2007 and 2014, over the course of many years. The corporation started missing the deadlines for the reimbursement, which resulted in several lawsuits and cases being brought against the company. Subsequently, the Central Bureau of Investigation discovered that the money had been moved into more than 200 shell companies. This resulted in the bank having to deal with enormous NPAs, which forced the company to go through the National Company Law Tribunal and ultimately be auctioned off. The business was eventually acquired by JSW Steel.³⁶

The amount of time spent on in-depth research and analysis of corporate governance has significantly expanded over the past several years as a direct result of the numerous examples of corporations going bankrupt.

4. CONCLUSION & SUGGESTIONS

Effective corporate governance practices are needed to mitigate the effects of disproportionate regulatory scrutiny in corporate restructuring, particularly under conditions of bankruptcy and reorganization. These practices, when combined with a comprehensive regulatory review process, ensure that the restructuring is done properly and complies with regulations.

Corporate governance structures should put in place robust monitoring mechanisms to ensure that new policy implementations meet regulatory requirements. Blended analysis, which combines regulatory analysis with financial and strategic insights, enables the board of directors to develop a comprehensive view of compliance issues. This multifaceted approach helps identify and execute managing legal risks while assessing the financial implications and policy objectives of restructuring. An effective corporate governance system requires risk assessment and management. Mixed research provides a comprehensive analysis of the legal risks associated with restructuring. Combining adequate research methods with financial analysis can quantify potential legal liabilities and assess their impact on the company's financial health. Because of this, proactive risk reduction strategies can be made.

The involvement of legal advisors and financial experts is a key component of good corporate governance. Mixed research encourages collaboration between legal and economists and provides an objective assessment of policy innovation. This interdisciplinary approach ensures that regulatory considerations align with economic realities and strategic objectives, reducing undue regulatory scrutiny. In addition to that, transparency with stakeholders is essential to build trust and reduce friction. Mixed research facilitates explicit communication by providing a comprehensive view of the restructuring process. Shareholders and creditors can have confidence in the decision-making process when they see that the legal, financial and strategic aspects have been thoroughly analyzed and incorporated into the restructuring process.

³⁶JSW Steel gets NCLAT's approval to acquire Bhushan Power for Rs 19,700 cr, Business Standard, (Oct 8, 7:45 am), https://www.business-standard.com/article/pti-stories/nclat-gives-approval-to-jsw-steel-to-acquire-bhushan-power-120021700271_1.html.

Corporate governance practices ensure that employees and the board of directors are fully informed about the legal issues surrounding restructuring. The blended research approach encourages continuing education and training that incorporates legal, financial and strategic aspects. This allows decision makers to make informed choices throughout the restructuring process.

In conclusion, the role of mixed research on corporate governance quality in corporate restructuring, especially in the face of financial crisis and restructuring, cannot be overstated. Blended research combining legal, economic, and strategic perspectives provides a comprehensive understanding of the challenges and opportunities of restructuring. This approach helps corporate governance teams and management make informed, ultimately retained decisions profitably and corporate reputation is protected. Corporate governance practices that incorporate regulatory analysis can prevent bankruptcy through early identification of bankruptcy, informed decision-making, sound risk management, compliance, intelligent cost management, and sleep transparency, accountability, contingency planning, and stakeholder engagement. Together, these measures help companies identify and address financial challenges before they spiral out of control, ultimately preserving the company's financial stability and preventing bankruptcy.

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