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FROM LISTED TO LOST LIQUIDITY:

UNDERSTANDING WHAT HAPPENS TO
SHAREHOLDERS WHEN COMPANIES
ARE DELISTED FROM THE NGX



INTRODUCTION

On 9th April 2026, the Nigerian Exchange Limited (NGX) removed two companies from its Daily Official List: **DN Tyre & Rubber Plc and Greif Nigeria Plc**.¹ What appeared as a routine regulatory notice carries significant consequences for shareholders. A delisting means their shares, still legally theirs, can no longer be bought or sold on the exchange, and for some, that reality may have come completely out of the blue.

This article explains what delisting means, why it happens, what shareholders can do when it does, and the due diligence habits that can protect investors before they find themselves in that position.

WHAT DOES “DELISTING” REALLY MEAN FOR A COMPANY?

A listing on the NGX is not a permanent entitlement. It is a privilege granted subject to a company meeting and maintaining a set of ongoing regulatory obligations, including timely financial reporting, adequate public shareholding, payment of listing fees, and meeting various disclosure requirements set out in the NGX Rulebook and the General Undertaking each listed company signs upon admission.²

When a company can no longer meet those obligations, the NGX, acting through its regulatory subsidiary, NGX RegCo, is empowered under Clause 14 of the Amended General Undertaking to suspend trading in its shares and, ultimately, remove it from the Daily Official List entirely.³ This removal is known as delisting.

Delisting is not the same as winding up. That a company is delisted does not mean it automatically ceases to exist; it rather remains a legal entity, with shareholders, directors, and obligations under the Companies and Allied Matters Act 2020 (CAMA 2020). What it loses is the exchange-traded market through which its shares could previously be bought and sold freely.

It is also important to distinguish between the two types of delisting:

a. **Voluntary delisting:**

This occurs when a company chooses to exit the exchange. This is often linked to corporate actions such as a take-private transaction, acquisition, or strategic restructuring. In such cases, shareholders receive advance notice and are typically offered an exit opportunity at a price not less than the highest traded price in the six months preceding the shareholder vote.⁴ Recent examples of voluntary delisting include 11 Plc (formerly Mobil Oil Nigeria), which delisted in 2021 after 42 years on the exchange;⁵ Ardova Plc, which exited in July 2023 at N17.88 per share;⁶ and MRS Oil Nigeria Plc, which voluntarily delisted in July 2025 and migrated to the NASD OTC Securities Exchange.⁷

¹ Adamolekun R, “DN Tyre & Rubber, Greif Nigeria Delisted from Nigerian Exchange” (Premium Times Nigeria, April 9, 2026) <https://www.premiumtimesng.com/business/business-news/870447-dn-tyre-rubber-greif-nigeria-delisted-from-nigerian-exchange.html>

² See Chapter 17, Rulebook of the Nigerian Stock Exchange. December 2015. <https://doclib.ngxgroup.com/regulation-site/Documents/The%20NSE%20RuleBook%202015.pdf>

³ NGX Regulation Limited, Notification of Regulatory Delisting of the Securities of Two (2) Companies. 9 April 2026. <https://doclib.ngxgroup.com/Listings-site/corporate-disclosure-site/Documents/Market%20Bulletin%20-%20Regulatory%20Delisting%20of%20DN%20Tyre%20and%20Rubber%20Plc%20and%20Greif%20Nigeria%20Plc.pdf>

⁴ NGX, Process for Delisting a Company from the Daily Official List. 2020. <https://doclib.ngxgroup.com/Listings-site/corporate-disclosure-site/PublishingImages/Issuers-section/corporate-disclosures/delisted-companies/Delisting%20Process.Pdf>

⁵ Ng TS | N, “11 Plc Delists Shares from the Nigerian Exchange after 42 Years” (African Markets, May 10, 2021) <https://www.african-markets.com/en/stock-markets/ngse/11-plc-delists-shares-from-the-nigerian-exchange-after-42-years>

⁶ Nwachukwu I, “Ardova Delists Shares from NGX” (Businessday NG, July 26, 2023) <https://businessday.ng/companies/article/ardova-delists-shares-from-ngx/>

⁷ Nwachukwu I, “MRS Concludes Plans to Delist From NGX” (Businessday NG, March 28, 2025) <https://businessday.ng/markets/article/mrs-concludes-plans-to-delist-fro-ngx/>



b. Regulatory or Compulsory delisting:

A regulatory or compulsory delisting occurs where the NGX determines that a company has persistently failed to meet its listing obligations. This typically follows an extended period of regulatory engagement, during which the company may be granted time to remedy deficiencies, restructure its operations, or restore compliance. The delisting of DN Tyre illustrates this process. The company remained under regulatory engagement for several years, including periods of restructuring, reclassification, and extensions to attract new investment, before its eventual removal was approved in March 2026.⁸

In contrast, where a company has already completed liquidation, delisting may simply formalise its removal from the exchange. This was the case with Greif Nigeria Plc, which had ceased operations, disposed of all its assets, and concluded its liquidation process prior to its delisting.⁹

DELISTING AS A STRUCTURAL FEATURE OF THE NIGERIAN CAPITAL MARKET

The delistings of DN Tyre & Rubber Plc and Greif Nigeria Plc should not be viewed as isolated incidents. Rather, they form part of a sustained pattern of regulatory enforcement within the Nigerian Exchange Limited. Over the past two decades, more than 100 companies have been removed from what was then the Nigerian Stock Exchange and is now the NGX.¹⁰ In 2025 alone, eight companies were delisted, representing a combined market wipe-off of approximately N330 billion.¹¹

A number of these removals involve companies that were once widely held investments. Examples include Skye Bank Plc, delisted in August 2019 after the Central Bank of Nigeria revoked its licence and transferred its assets to Polaris Bank;¹² Costain West Africa Plc was removed in December 2016 after persistent non-compliance with post-listing rules.¹³ Similar outcomes have affected other issuers, including Evans Medical, Nigerian-German Chemicals, Roads Nigeria Plc, and several insurance companies that were delisted for comparable compliance failures.¹⁴

⁸ Michael C, "NGX to Delist DN Tyre, Greif Nigeria over Compliance Failures" (Businessday NG, April 9, 2026) <https://businessday.ng/companies/article/ngx-to-delist-dn-tyre-greif-nigeria-over-compliance-failures/>

⁹ Ibid

¹⁰ Ugwu C, "Concerns as 121 Firms Delisted from Nigeria's Stock Exchange in 20 Years" (Nairametrics, July 7, 2022) <https://nairametrics.com/2022/07/07/concerns-as-121-firms-delisted-from-ngx-in-20-years/>

¹¹ Akinseinde-Jayeoba K, "NGX Sheds N330bn as 8 Companies Delisted in 2025" (Tribune Online, October 20, 2025) <https://tribuneonline.ng/ngx-sheds-n330bn-as-8-companies-delisted-in-2025/>

¹² Olawoyin O, "NSE Delists Skye Bank, Fortis" (Premium Times Nigeria, August 22, 2019) <https://www.premiumtimesng.com/business/business-news/347945-nse-delists-skye-bank-fortis.html?tztc=1>

¹³ Adekoya, "NSE Delists Costain, Premier Breweries, 4 Others" (InsideBusiness - Business News in Nigeria, September 19, 2020) <https://insidebusiness.ng/15122/nse-delists-costain-premier-breweries-4-others/>

¹⁴ Olujinmi D, "Here Are 15 Firms That Delisted from the NGX between 2021 and 2023" (Nairametrics, April 29, 2024) <https://nairametrics.com/2024/04/29/here-are-15-firms-that-delisted-from-the-ngx-between-2021-and-2023/>

As of March 2026, several companies remain on the NGX's Delisting Watchlist (DWL) or are in the Delisting In Process (DIP) category, such as Union Dicon Salt Plc, Multi-Trex Integrated Foods Plc, and Ekocorp Plc.¹⁵ This indicates delisting is an ongoing feature of the Nigerian capital market, and the recent delistings do not represent a closed chapter by any means.

Taken together, these developments demonstrate that delisting operates as a structural mechanism within the Nigerian capital market, serving both as a tool of regulatory enforcement and as a reflection of underlying corporate and market conditions.

WHAT HAPPENS TO SHAREHOLDERS AFTER A REGULATORY DELISTING?

The consequences of a regulatory delisting depend primarily on whether the company remains in existence or has entered liquidation.

a. Where The Company is Not in Liquidation (the DN Tyre scenario)

In this situation, shareholders retain legal ownership of their shares as delisting does not extinguish their title to the company's shares. However, it removes access to the exchange-traded market through which those shares could previously be bought and sold. In practical terms, this significantly limits exit options. Shareholders may seek to:

- trade their shares on the NASD OTC Securities Exchange,¹⁶ where the company is admitted to that platform
- enter into private, negotiated transfers, subject to any restrictions in the company's articles
- participate in a company-initiated share buyback, if one is offered

While these options exist in principle, their practical effectiveness is often limited. In the case of distressed companies, investor interest is typically low or non-existent. As a result, liquidity is severely constrained, reliable price discovery is absent, and the ability to dispose of shares becomes uncertain.

b. Where the company has been liquidated (the Greif scenario)

Where the company has entered liquidation, the position of shareholders is significantly weaker. Under Section 657 of CAMA 2020, shareholders rank last in the priority of claims in a winding up, meaning secured creditors are paid first, then preferential creditors (including employees and certain tax obligations), then unsecured creditors, and only if anything remains do shareholders receive a distribution. For insolvent companies entering liquidation, that residual is typically nothing.



¹⁵ Mgboji K, "Union Dicon Salt, 4 Others on NGX Delisting Watchlist" (Nairametrics, March 7, 2026) <https://nairametrics.com/2026/03/07/union-dicon-salt-4-others-on-ngx-delisting-watchlist/>

¹⁶ Tribune Online, "11 PLC to List on NASD after Delisting from NSE" (Tribune Online, February 28, 2021) <https://tribuneonline.ng.com/11-plc-to-list-on-nasd-after-delisting-from-nse/>

LEGAL RIGHTS OF SHAREHOLDERS AFTER DELISTING

Delisting does not leave shareholders without legal protection. Under CAMA 2020, a range of rights continues to apply irrespective of a company's listing status. These rights are particularly significant in the context of distressed or poorly governed companies.

Sections 353 to 356 of CAMA 2020 provide a key remedy for minority shareholders. Under this remedy, any member may petition the court where the company's affairs are being conducted in a manner oppressive to, or unfairly prejudicial to, the interests of members.¹⁷ If the court agrees, it may exercise wide powers, including the power to regulate the company's affairs, set aside transactions, and compel the purchase of a shareholder's shares.¹⁸ In situations where those in control of a delisted company are mismanaging its affairs or diluting minority interests, this remedy is particularly relevant.

Shareholders also retain core governance rights arising from membership of the company. This includes the right to inspect the company's books and records, the right to receive copies of audited financial statements and directors' reports, and the right to attend and vote at general meetings.¹⁹ These rights are statutory and continue to apply regardless of whether the company remains listed.

Dividend rights are similarly preserved under Section 432 of CAMA 2020, which provides that a shareholder whose declared dividend is not paid has a statutory right to sue for it. Thus, the obligation to pay declared dividends arises under CAMA, not under the NGX Rulebook, and survives delisting.

Furthermore, where a company's affairs have deteriorated to the point that continued operation is no longer viable, shareholders can petition for winding up on "just and equitable" grounds under Section 571(f) of CAMA 2020. This mechanism provides a formal process for bringing the company's affairs to a close and distributing any remaining value in accordance with statutory priorities.



¹⁷ Sections 353 & 354, CAMA 2020

¹⁸ *ibid* Section 355

¹⁹ *ibid* Sections 217(1), 267(1), 388(2), & 392

WHY DUE DILIGENCE MATTERS MORE THAN EVER

The remedies available to shareholders after delisting are often limited in practical effect. As a result, proactive due diligence remains the most effective form of protection. The signs of a company in regulatory trouble rarely appear overnight. They typically develop over time and are visible in publicly available disclosures.

The NGX publishes an X-Compliance Report that categorises all listed companies by their compliance status.²⁰ A company that appears on the Delisting Watchlist (DWL) is already in the early stages of the process that ends in removal. On the other hand, a company that progresses to Delisting In Process (DIP) has likely exhausted its grace periods. This information is publicly available and regularly updated.

Annual reports are another critical source of information. A material uncertainty about “going concern” from auditors, as Ernst & Young flagged in Greif Nigeria's 2020 annual report,²¹ is a warning, not a footnote. Uncertainty about the company's ability to continue, persistent operating losses, negative shareholders' funds, and the disposal of core productive assets are signals worth taking seriously. Under various CAMA provisions, shareholders have a right to these documents.²² The question is whether they are being read.

Annual General Meetings are another underutilised resource. For listed companies, AGMs are an opportunity to hear directly from management and auditors, to vote on critical resolutions, and to ask hard questions about the company's compliance position, financial health, and strategic direction. In a distressed company, an AGM can be the last warning before the exchange acts.

DIRECTORS, COMPLIANCE, AND THE COST OF REGULATORY FAILURE

The conversation about delisting is not only for investors. Directors of listed companies carry significant obligations under CAMA 2020 and the NGX Rulebook that go directly to the question of listing maintenance. The duty of care under Section 308 of CAMA 2020 requires directors to exercise the diligence of a reasonably prudent person in comparable circumstances. Persistent non-compliance with financial reporting obligations, including the requirement to file quarterly accounts within 30 days of quarter-end and audited annual financials within three months of year-end,²³ is not a passive failure. It is a governance failure, and one that exposes directors to personal liability.

Beyond legal liability, regulatory delisting carries significant reputational and market implications. It signals a failure in governance, financial management, or regulatory compliance. It erodes investor confidence not only in the company but in the broader ecosystem, a concern that is difficult to dismiss when one considers that delistings between 2015 and 2025 alone wiped off nearly N1

²⁰ GXX-Compliance Report. April 2021. <https://doclib.ngxgroup.com/Listings-site/corporate-disclosure-site/Documents/X-Compliance.pdf>

²¹ “Nigeria: DN Tyre & Rubber, Greif Nigeria Delisted from Nigerian Exchange” (allAfrica.com, April 10, 2026) <https://allafrica.com/stories/202604100405.html>

²² Sections 217(1), 267(1), 388(2), & 392 CAMA 2020

²³ Rule 3.1 of the NGX Rules on Filing of Accounts and Treatment of Default Filings



trillion from the equities market.²⁴ In consequence, shareholders have been left holding illiquid stakes, retail investors have lost faith in the market as a wealth-building tool, and the exchange itself has borne the reputational cost of association with failed issuers.

At the same time, the NGX enforcement framework follows a structured progression from warnings and sanctions to suspension and eventual delisting. This process is designed to provide companies with multiple opportunities to restore compliance. In practice, companies that respond proactively to regulatory engagement are less likely to reach the point of delisting.

CONCLUSION

The delisting of DN Tyre and Greif Nigeria highlights a central principle of equity investment: share ownership does not guarantee liquidity or value. It represents an interest in a company whose value, and continued access to a public market, depend on the quality of its governance, the strength of its financials, and its regulatory compliance.

For shareholders, the practical lessons are clear: monitor compliance notices, read annual reports carefully, attend AGMs, and take early warning signs seriously. While the law provides mechanisms for redress after adverse outcomes, their effectiveness is often limited. In contrast, timely and informed due diligence remains the most reliable means of mitigating the risks associated with delisting.

This article is for informational purposes only and does not constitute legal advice. For guidance on shareholder rights, corporate compliance, or related matters, please contact Tope Adebayo LP.

²⁴ Anthony, "Delisting Crisis Deepens as Nearly N1tr Exits NGX in 10 Years" The Guardian Nigeria News - Nigeria and World News (July 8, 2025) <https://guardian.ng/business-services/delisting-crisis-deepens-as-nearly-n1tr-exits-ngx-in-10-years/>

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