

A Critical Study on Prospectus under Company Law

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Abstract: *A prospectus is an administrative record that gives you a bird's-eye view into the investment you're considering making. It's intended to offer investors straightforwardness into the company that issues stocks and securities into the money-related markets. Regardless of whether you're considering putting resources into the stock or security showcases, or are reflecting on a common store venture that can enable you to spare to purchase a home or get ready for future retirement, an administrative archive known as a prospectus offers subtleties encompassing your choices. A prospectus is a record that a company and others document with the Securities and Exchange Commission when they are putting forth new offers of a security to people in general. A standout amongst the most widely recognized explanations behind issuing a prospectus is the point at which a company is making a first sale of stock, putting offers of stock available to be purchased out of the blue. Common supports issue a prospectus at ordinary intervals since they routinely make new offers accessible. The purpose behind going with such a data alongside the prospectus is to ensure that the financial specialists are very much aware of the company's experience and generally speaking execution and the speculators don't fall into the trap of putting resources into an awful company. The main objectives of this paper are to study about the term prospectus, to study about the registration of prospectus, to study about misstatements in prospectus and to study about liability for misstatement in prospectus. The paper concludes that most of the people have answered that yes, that a private limited company can also issue a prospectus and reacted neutral for a company being liable for the misstatement in prospectus.*

Keywords: company, prospectus, finance, business, security