

Prospectus as a Contrivance for Investor Protection in Indian Companies

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Abstract:

The prospectus is an essential document that plays a crucial role in safeguarding the interests of investors. It serves as a legal and informative instrument that provides critical information about the investment opportunity to potential investors. However, the effectiveness of the prospectus in protecting investors is subject to scrutiny and requires critical analysis. This research paper aims to provide a critical analysis of the role of the prospectus in safeguarding investor interests. It will examine the legal framework for prospectus requirements and evaluate the extent to which the prospectus protects investors from potential risks and fraudulent activities. The paper will explore the relevance of the prospectus in the context of initial public offerings and scrutinize its effectiveness in ensuring transparency and disclosure of relevant information. It will also assess the extent to which the prospectus facilitates informed decision-making by investors. Furthermore, the paper will investigate the implications of inadequate or misleading disclosure in the prospectus and its impact on investors and will also examine the role of regulatory bodies in enforcing compliance with prospectus requirements and safeguarding investor interests. In conclusion, this paper provides a critical analysis of the role of the prospectus in protecting investors. It highlights the importance of the prospectus in safeguarding investor interests and identifies areas for improvement in the legal framework for prospectus requirements to enhance investor protection.

Keywords: Investor Protection, Legal Framework Disclosure, Informed decision-Making, Initial Public Offerings, Regulatory compliance.

1. INTRODUCTION

Investors rely heavily on the prospectus as a critical source of information when making investment decisions. The prospectus provides relevant details about the investment opportunity, including financial statements, management profiles, risks associated with the investment, and other critical information that can aid in making informed decisions.

However, despite the vital role of the prospectus in safeguarding investor interests, there have been numerous cases of misleading or inadequate disclosure in prospectuses, leading to losses for investors. This highlights the need for a critical analysis of the role of the prospectus in protecting investors.

2.1- Overview of Prospectus under the Companies Act, 2013

The Companies Act of 2013 in India defines a prospectus as any document that is issued to the public or is capable of being issued to the public and includes any notice, circular, advertisement, or other document inviting deposits from the public or seeking to collect money from the public.

The Act makes it mandatory for companies to issue a prospectus before making any public offer of securities. The prospectus should contain all the relevant information about the company and the securities being offered, including the terms and conditions of the offer, details of the management and financial position of the company, and any other material information that may impact the investment decision of the investors.¹

The Act also requires the prospectus to be filed with the Registrar of Companies before its publication, and any material changes made to the prospectus after its filing must be notified to the Registrar and the public.

Under the Act, any person who makes any untrue statement or omits any material information in the prospectus with an intention to deceive or mislead investors may be held liable for damages suffered by the investors. The Act provides for civil and criminal penalties for any such false or misleading statements in the prospectus.

The Act also empowers the Securities and Exchange Board of India (SEBI) to regulate and monitor the issuance of prospectus by companies. SEBI has issued various guidelines and regulations for the disclosure and contents of the prospectus to ensure transparency and investor protection.²

Overall, the Companies Act of 2013 provides a comprehensive legal framework for the prospectus, ensuring that it contains all the relevant information about the company and the securities being offered, while also protecting investors from any false or misleading statements.

2.2- Legal framework for prospectus requirements under the Companies Act, 2013

The Companies Act of 2013 in India provides a comprehensive legal framework for prospectus requirements. The Act lays down the guidelines and procedures for the preparation, filing, and disclosure of the prospectus by companies offering securities to the public.

Under the Act, every prospectus must be in the form and contain the particulars as prescribed by the Securities and Exchange Board of India (SEBI). The prospectus must also be filed with the Registrar of Companies before its publication, and any material changes made to the prospectus after its filing must be notified to the Registrar and the public.³

The Act mandates that the prospectus must contain all material information about the company, its management, and its financial position. It must also contain details of the securities being offered, the terms and conditions of the offer, and any risks associated with the investment.

The Act also imposes criminal liability on any person who issues a prospectus containing false or misleading statements. Such persons may be held liable for any damages suffered by investors as a result of such statements.

In addition to the Companies Act, SEBI has also issued guidelines and regulations to ensure the transparency and accuracy of the prospectus. These guidelines require companies to make full and fair disclosure of all material information, including risks associated with the investment, and to provide updated information if there are any changes before the closing of the public offer.

¹ Corporate Law Reporter, <http://corporatelawreporter.com/2013/02/25/importance-prospectus-tool-investor-protection-india/> (last visited Mar. 27, 2023)

² Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

³ *Ibid*

Overall, the legal framework for prospectus requirements under the Companies Act of 2013 ensures that companies provide complete and accurate information to investors, while also protecting investors from false or misleading statements.⁴

3. ROLE OF THE PROSPECTUS IN INITIAL PUBLIC OFFERINGS (IPOS)

In India, the prospectus plays a crucial role in Initial Public Offerings (IPOs). An IPO is the first time a company offers its shares to the public, and the prospectus provides potential investors with all the necessary information to make an informed decision about investing in the company.

The prospectus for an IPO in India must comply with the requirements of the Companies Act of 2013, SEBI regulations, and the listing agreement of the stock exchange. It must contain all material information about the company, its management, and its financial position, along with details of the securities being offered, the terms and conditions of the offer, and any risks associated with the investment.⁵

The prospectus must also disclose any related-party transactions, outstanding litigation, and other important information that could impact investor decision-making. The information provided in the prospectus must be accurate and complete, and any omissions or misleading information could result in legal consequences for the company and its management.

In the context of IPOs, the prospectus plays a critical role in ensuring transparency and disclosure of relevant information to potential investors. It facilitates informed decision-making by investors and provides them with the necessary information to assess the risks and benefits of investing in the company.

The prospectus is also a vital tool in ensuring investor protection in IPOs. It provides investors with the necessary information to evaluate the company's financial position and assess its future prospects, allowing them to make informed investment decisions. The prospectus, along with regulatory oversight, helps to prevent fraudulent activities and protect investors from potential risks associated with investing in the company.

In conclusion, the prospectus plays a significant role in IPOs in India, ensuring transparency and disclosure of relevant information to potential investors, facilitating informed decision-making, and protecting investors from potential risks and fraudulent activities. The completeness and accuracy of the information provided in the prospectus and the regulatory oversight are crucial factors in ensuring investor protection in IPOs.⁶

4. EVALUATING THE EFFECTIVENESS OF THE PROSPECTUS IN SAFEGUARDING INVESTOR INTERESTS

The prospectus is a crucial document that plays a significant role in safeguarding the interests of investors. Its effectiveness in protecting investors, however, requires critical evaluation under the Companies Act of 2013.

⁴ Whos Who Legal, <https://whoswholegal.com/features/investor-information-versus-investor-protection-is-prospectus-regulation-heading-in-the-right-direction> (last visited Apr. 1, 2023)

⁵ *Ibid*

⁶ Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

The Act mandates that the prospectus must contain all material information about the company, its management, and its financial position. It must also contain details of the securities being offered, the terms and conditions of the offer, and any risks associated with the investment. These requirements are in place to ensure that investors have access to complete and accurate information to make informed decisions.

The effectiveness of the prospectus in safeguarding investor interests also depends on the regulatory authorities responsible for enforcing compliance. SEBI, for example, is responsible for ensuring that companies comply with the guidelines and regulations for prospectus disclosures.

Despite the legal framework and regulatory oversight, there have been instances of inadequate or misleading disclosure in prospectuses that have resulted in investor losses. In such cases, investors may seek recourse through legal channels to recover their losses.

Overall, the effectiveness of the prospectus in safeguarding investor interests under the Companies Act of 2013 depends on various factors such as the completeness and accuracy of the information provided, the regulatory oversight, and the recourse available to investors in case of non-compliance. It is important to continuously evaluate and improve the legal framework and regulatory oversight to enhance investor protection.⁷

5. THE ROLE OF SHAREHOLDER ACTIVISM IN ENHANCING INVESTOR PROTECTION

Shareholder activism is a growing trend in corporate governance, where shareholders use their ownership rights to influence the decision-making of a company. In the context of the prospectus, shareholder activism can play a vital role in enhancing investor protection.

Shareholders can use their voting rights to influence the content and quality of the prospectus, ensuring that it provides all the necessary information about the investment opportunity. Shareholder activism can help in demanding greater transparency and disclosure from companies, which can improve the effectiveness of the prospectus in protecting investor interests.

Moreover, shareholders can also use their ownership rights to hold companies accountable for inadequate or misleading disclosures in the prospectus. They can initiate legal action against the company and seek compensation for any losses incurred due to false or incomplete information in the prospectus.⁸

Shareholder activism can also contribute to the development of better regulatory frameworks for prospectus requirements. By advocating for stronger investor protection measures, shareholders can influence the regulatory bodies to ensure that the prospectus provides adequate information to investors. In conclusion, the role of shareholder activism in enhancing investor protection through the prospectus is significant. It can help in ensuring that the prospectus provides complete and accurate information to potential investors, and can hold companies accountable for any misrepresentations or omissions. Therefore, companies must consider the views of their shareholders in the preparation of the prospectus to enhance investor protection.

⁷ Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

⁸ *Ibid*

6. PROSPECTUS REQUIREMENTS AND INVESTOR PROTECTION MEASURES IN INDIA VIS-A-VIS OTHER COUNTRIES.

The prospectus is an important document that provides critical information to potential investors about the investment opportunity. The prospectus requirements and investor protection measures vary across different countries, and it is important to compare these measures to understand their effectiveness in safeguarding investor interests.

In India, the Companies Act, 2013, lays down the legal framework for prospectus requirements and investor protection. The Securities and Exchange Board of India (SEBI) is the regulatory body responsible for enforcing compliance with prospectus requirements and safeguarding investor interests. The SEBI has implemented several measures to enhance investor protection, such as mandatory disclosure of material information in the prospectus, strict penalties for non-compliance, and a mechanism for investor grievances.⁹

In comparison, the United States Securities and Exchange Commission (SEC) requires companies to file a registration statement, which includes a prospectus, before offering securities to the public. The SEC has a similar mandate as the SEBI to protect investors and ensure compliance with prospectus requirements. However, the SEC's regulatory framework includes additional measures, such as the requirement for companies to register with the SEC and undergo regular reporting and disclosure obligations.

In the European Union, the Prospectus Regulation lays down the requirements for companies to provide a prospectus before offering securities to the public. The Prospectus Regulation includes strict rules on the content of the prospectus, disclosure requirements, and the use of simplified prospectuses for certain types of securities. The European Securities and Markets Authority (ESMA) is the regulatory body responsible for enforcing compliance with the Prospectus Regulation and safeguarding investor interests. Overall, the comparison of prospectus requirements and investor protection measures in India with other countries, highlights the importance of having a strong legal and regulatory framework to protect investors. While the requirements and measures may differ across countries, the objective remains the same- to ensure that investors have access to accurate and relevant information to make informed investment decisions.¹⁰

7. TECHNOLOGY'S EFFECTIVENESS IN PROTECTING INVESTORS

The advent of technology has revolutionized the way in which businesses operate and investors make investment decisions. With the increased use of digital platforms, investors have access to a vast amount of information about investment opportunities. This has raised questions about the continued relevance and effectiveness of the prospectus in protecting investor interests.

The impact of technology on the prospectus can be seen in the emergence of electronic prospectuses, which allow investors to access information about investment opportunities through digital platforms. This has made the prospectus more accessible and convenient for investors, but it also raises concerns about the quality and reliability of information provided.

⁹ Corporate Law Reporter, <http://corporatelawreporter.com/2013/02/25/importance-prospectus-tool-investor-protection-india/> (last visited Mar. 27, 2023)

¹⁰ Corporate Law Reporter, <http://corporatelawreporter.com/2013/02/25/importance-prospectus-tool-investor-protection-india/> (last visited Mar. 27, 2023)

Furthermore, the use of technology has also facilitated the development of automated investment tools and algorithms that use data analysis to make investment decisions. This has the potential to reduce the role of the prospectus in decision-making, as investors may rely on such tools to make investment decisions rather than reading the prospectus.¹¹

However, the use of technology can also enhance the effectiveness of the prospectus in protecting investors. The use of blockchain technology, for instance, can improve the transparency and accuracy of information provided in the prospectus. This can reduce the risk of fraudulent activities and ensure that investors have access to reliable and relevant information.

In conclusion, the impact of technology on the prospectus and its effectiveness in protecting investors is a complex issue. While the use of technology has both positive and negative implications, it is important to ensure that the prospectus continues to play a crucial role in protecting investor interests in the digital age.

8. ROLE OF FINANCIAL INTERMEDIARIES IN THE PROSPECTUS PROCESS

Financial intermediaries, such as underwriters and investment bankers, play a crucial role in the preparation and dissemination of the prospectus. They are responsible for assisting the issuer in complying with the legal requirements and ensuring that the prospectus provides complete and accurate information to investors.

This research paper will critically analyze the role of financial intermediaries in the preparation and dissemination of the prospectus under the Companies Act 2013. It will examine the legal framework for the role of underwriters and investment bankers in the prospectus process and evaluate the extent to which they contribute to investor protection.

The paper will investigate the measures taken by financial intermediaries to ensure that the prospectus is accurate and complete, and the potential conflicts of interest that may arise in the process. It will also evaluate the impact of underwriters and investment bankers' reputation and credibility on investor decisions.¹²

Furthermore, the paper will explore the implications of inadequate due diligence by financial intermediaries and its impact on investor protection. It will also examine the measures taken by regulatory bodies to monitor and enforce compliance by financial intermediaries with the legal requirements for prospectus preparation and dissemination.

In conclusion, this research paper will provide a critical analysis of the role of financial intermediaries in the preparation and dissemination of the prospectus. It will highlight their contribution to investor protection and identify areas for improvement in the legal framework and regulatory oversight to enhance investor confidence in the prospectus process.

9. IMPACT OF PROSPECTUS REQUIREMENTS ON THE CAPITAL COST

The prospectus is a crucial document for companies that want to raise capital from the public through the issuance of securities. It provides vital information about the investment opportunity to potential investors, such as the financial health of the company, the risk profile of the investment, and the terms of

¹¹ *Ibid*

¹² Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

the offering. However, preparing a prospectus can be a costly process for companies. In this context, it is important to examine the impact of prospectus requirements on the cost of capital for companies and its implications for investor protection.

The companies act 2013 lays down the legal framework for prospectus requirements in India. It mandates that a company issuing securities to the public must file a prospectus with the registrar of companies before making the offer. The prospectus must contain all material information about the company and the securities being offered to enable investors to make an informed investment decision.¹³ While the prospectus is a valuable tool for protecting investors, it can also increase the cost of capital for companies. The preparation and dissemination of the prospectus require substantial resources, including the fees paid to underwriters and investment bankers for their services. The cost of complying with prospectus requirements can be a significant burden, especially for small and medium-sized enterprises (SMEs) that have limited financial resources.

Moreover, the additional costs of preparing a prospectus can also increase the cost of capital for companies. The cost of capital refers to the return that investors require for investing in a company's securities. Higher costs of capital can make it difficult for companies to raise capital from the public, thereby limiting their growth and expansion opportunities.

However, the cost of complying with prospectus requirements must be balanced against the benefits of investor protection. The prospectus serves as a legal and informative instrument that provides critical information about the investment opportunity to potential investors. It ensures transparency and disclosure of relevant information, which can help investors make informed investment decisions.

In conclusion, while the prospectus requirements can increase the cost of capital for companies, they are essential for protecting the interests of investors. The benefits of investor protection must be balanced against the costs of complying with prospectus requirements. Regulatory bodies must ensure that the prospectus requirements strike a balance between protecting investors and facilitating the growth of companies.

10. IMPLICATIONS OF INADEQUATE OR MISLEADING DISCLOSURE IN THE PROSPECTUS

Inadequate or misleading disclosure in the prospectus can have serious implications for investors and the company offering the securities. The prospectus is intended to provide potential investors with all material information about the investment opportunity, and any inadequate or misleading disclosure can have negative consequences.

If the prospectus fails to disclose material information or contains misleading information, investors may make investment decisions based on incomplete or inaccurate information. This can lead to financial loss for investors, damage to the reputation of the company, and legal action against the company and its directors.

Under the Companies Act 2013, companies and their directors can be held liable for any untrue or misleading statements in the prospectus. This includes civil and criminal liability, fines, and even imprisonment. The Act also provides for strict penalties for non-compliance with prospectus requirements, including fines and imprisonment.

¹³ Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

Inadequate or misleading disclosure in the prospectus can also have a negative impact on the company's reputation and its ability to raise capital in the future. If investors lose trust in the company and its disclosures, they may be less likely to invest in the company in the future, leading to a decline in the company's valuation and growth prospects.

To avoid the implications of inadequate or misleading disclosure in the prospectus, companies must ensure that all material information is disclosed accurately and completely. The company should have a robust process for vetting and reviewing the prospectus to ensure that it meets all legal requirements and is free from any misleading information.

In conclusion, inadequate or misleading disclosure in the prospectus can have serious implications for investors and the company offering the securities. Companies must ensure that all material information is disclosed accurately and completely to avoid legal and reputational consequences.¹⁴

11. FACILITATING INFORMED DECISION-MAKING BY INVESTORS

Facilitating informed decision-making by investors is a critical function of the prospectus. The prospectus provides potential investors with all the necessary information about the company, its financial position, and the securities being offered, allowing them to make an informed decision about investing.

Investors rely on the prospectus to provide them with a comprehensive overview of the company's operations, management, and financial position. It allows them to assess the risks and benefits of investing in the company and make an informed investment decision.¹⁵

The prospectus must contain all material information about the company, including its financial statements, management discussion and analysis, and any risks associated with the investment. The information provided in the prospectus must be accurate, complete, and free from any omissions or misleading information.

In addition to the information provided in the prospectus, investors can also use other sources of information, such as industry reports, financial analysts' recommendations, and news articles, to make an informed investment decision.

Facilitating informed decision-making by investors is not only important for investors but also for the company offering the securities. Investors who make informed decisions are more likely to invest in the company and support its growth. This, in turn, benefits the company and its shareholders.

In conclusion, facilitating informed decision-making by investors is a critical function of the prospectus. It provides potential investors with all the necessary information about the company, allowing them to assess the risks and benefits of investing and make an informed investment decision.

12. PROSPECTUS LIABILITY

Under the Companies Act 2013, the prospectus is a crucial document that provides essential information about the investment opportunity to potential investors. However, if the information provided in the prospectus is inadequate or misleading, it can lead to significant losses for investors. Therefore, the

¹⁴ Whos Who Legal, <https://whoswholegal.com/features/investor-information-versus-investor-protection-is-prospectus-regulation-heading-in-the-right-direction> (last visited Apr. 1, 2023)

¹⁵ Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

Companies Act 2013 imposes strict liability on the company, its directors, and other parties involved in the preparation and distribution of the prospectus.

According to Section 34 of the Companies Act 2013, any person who has authorized the issue of the prospectus shall be liable for any untrue statement made in the prospectus. This includes the company, its directors, promoters, and experts who have given their consent to the issue of the prospectus.

Furthermore, Section 35 of the Companies Act 2013 provides for civil liability for misstatements in the prospectus. It states that any person who has subscribed to securities on the basis of the prospectus and has suffered losses due to any untrue statement in the prospectus can sue for damages.

In addition, the Securities and Exchange Board of India (SEBI) also plays a significant role in enforcing compliance with prospectus requirements. SEBI has the power to investigate cases of non-compliance and impose penalties on companies and individuals who violate prospectus requirements.

Overall, the Companies Act 2013 imposes strict liability on companies and individuals involved in the preparation and distribution of the prospectus. This ensures that investors are protected from misleading or inadequate information and can hold responsible parties accountable for any losses suffered.¹⁶

13. REGULATORY BODIES AND ENFORCEMENT OF COMPLIANCE WITH PROSPECTUS REQUIREMENTS

Under the Companies Act 2013, regulatory bodies play a critical role in enforcing compliance with prospectus requirements to ensure that companies provide potential investors with accurate and complete information. These regulatory bodies include the Securities and Exchange Board of India (SEBI) and the Registrar of Companies (ROC).

SEBI is responsible for overseeing securities markets in India and is the primary regulatory body for the regulation of prospectuses. Its primary function is to ensure that the prospectus complies with all legal requirements and that it is free from any misleading information. SEBI has the power to approve or reject the prospectus and can impose fines or penalties for non-compliance. It can also initiate legal proceedings against the company and its directors for any violation of the prospectus requirements.

SEBI also ensures that companies comply with ongoing reporting and disclosure requirements after the issue of securities. Companies are required to file periodic reports with SEBI, which includes information on financial performance and other relevant material information that may impact the company's securities.

The ROC, on the other hand, has the power to review and approve the prospectus. It plays a crucial role in ensuring that companies comply with the prospectus requirements under the Companies Act 2013. Any non-compliance with the prospectus requirements may lead to the ROC rejecting the prospectus.

Apart from SEBI and the ROC, other regulatory bodies such as the National Company Law Tribunal (NCLT) also play a role in enforcing compliance with prospectus requirements. The NCLT has the power to resolve disputes related to prospectus requirements and can impose penalties for non-compliance.

Overall, regulatory bodies such as SEBI, the ROC, and the NCLT play a vital role in enforcing compliance with prospectus requirements under the Companies Act 2013. Their actions help to ensure

¹⁶ Whos Who Legal, <https://whoswholegal.com/features/investor-information-versus-investor-protection-is-prospectus-regulation-heading-in-the-right-direction> (last visited Apr. 1, 2023)

that companies provide potential investors with accurate and complete information in the prospectus, promote transparency in the securities markets, and safeguard the interests of investors.¹⁷

14. CONCLUSION

In conclusion, the role of the prospectus in protecting investors is critical in ensuring transparency, disclosure, and accountability in the securities market. The prospectus serves as an essential document that provides crucial information about the investment opportunity to potential investors. The legal framework for prospectus requirements under the Companies Act 2013 lays down stringent requirements for companies to ensure that investors have access to accurate and complete information.

This research paper has provided a critical analysis of the role of the prospectus in safeguarding investor interests. It has evaluated the effectiveness of the prospectus in protecting investors from potential risks and fraudulent activities, and assessed the relevance of the prospectus in the context of initial public offerings. The paper has also examined the implications of inadequate or misleading disclosure in the prospectus and the role of regulatory bodies in enforcing compliance with prospectus requirements.

The findings of this research paper highlight the importance of the prospectus in safeguarding investor interests and identify areas for improvement in the legal framework for prospectus requirements to enhance investor protection. It is imperative for regulatory bodies to remain vigilant in enforcing compliance with prospectus requirements to ensure that investors have access to accurate and complete information to make informed investment decisions. Overall, this research paper emphasizes the need for continued efforts to enhance investor protection in the securities market.¹⁸

¹⁷ Legal Service India, [https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20\(70,to%20offers%20from%20the%20public](https://www.legalserviceindia.com/legal/article-9698-an-analysis-prospectus.html#:~:text=According%20to%20section%20(70,to%20offers%20from%20the%20public) (last visited Apr. 2, 2023)

¹⁸ Corporate Law Reporter, <http://corporatelawreporter.com/2013/02/25/importance-prospectus-tool-investor-protection-india/> (last visited Mar. 27, 2023)