ABSTRACT OF THESIS

Financial system of a country depends to a great extent on the size and type of capital market. Financial market, money market and capital market grow in a capitalist system, where the funds are attracted by players in the financial market.

The principle purpose and objective of capital market is to play role of linkage between market players, investors, agencies etc. Investors need an appropriate and timely information about investment products, rate of returns, risk and other related information. Decisions regarding investment are the result of carefully proceed systematic information, as such it is difficult for the investor to select investment products without fair information.

The function of capital market is to bridge the gap between capital market, investors and investible surplus. Company raises the funds by using easy and simple methods. In order to raise funds through i.e. the company has to rely on the direct call of fund or raise fund from investors. When a company rises fund from investors it often goes for public issue of equity i.e. issue as per prevailing capital market needs to be properly highlighted and given publicity. Unless and until the procedure of share is appropriately completed a company cannot raise fund from the securities market.

In case of first issue to the public through the primary market a company has to issue prospectus providing information to the potential investors. For this purpose, under normal circumstances company issues prospectus through which the company brings the notice to the people as to the issue and its necessary details.

The prospectus is the only way of detailed and necessary information for investors to know about issue and company. Investors after going through prospectus take a decision regarding investment and its implication. Analysis of investment is done by reading about a company, its ventures, their profitability and potentiality. How the information is presented in the prospectus is very important. Issues related with the success of the companies demand for funds are stated earlier, public issue is a source to raise funds.
Therefore, a detailed and fulfilled prospectus can generate confidence among the investors. The investors analyze information given in the prospectus to the public offer.

Since liberalization many companies have been protected and they have gone for public issue. The success of public issue depends on investor response, economic climate, and perception of the investors, future prospectus and other related issues. Every year large number of companies may issue public issue to raise fund. However, the success rate is uneven.

It is necessary that to know what factors are responsible for failure & success of public issues and what is states of public issue? For this purpose, a researcher has undertaken “Trend Analysis of Indian Stock Market with Reference to Initial Public Offer”.