

FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



Annual Return (other than OPCs and Small Companies)

Form language ☒ English ☐ Hindi

Refer the instruction kit for filing the form.

I. REGISTRATION AND OTHER DETAILS

(i) * Corporate Identification Number (CIN) of the company

L67120WB1985PLC038900

Pre-fill

Global Location Number (GLN) of the company

* Permanent Account Number (PAN) of the company

AABCT2088F

(ii) (a) Name of the company

THE FIRST CUSTODIAN FUND (

(b) Registered office address

11 CAMAC STREET
KOLKATA
Kolkata
West Bengal
700017

(c) * e-mail ID of the company

TF*****IL.COM

(d) *Telephone number with STD code

03*****28

(e) Website

www.firstcustodianfund.in

(iii) Date of Incorporation

07/05/1985

| (iv) | Type of the Company | Category of the Company | Sub-category of the Company |
|------|---------------------|---------------------------|-------------------------------|
| | Public Company | Company limited by shares | Indian Non-Government company |

(v) Whether company is having share capital

☒ Yes

☐ No

(vi) *Whether shares listed on recognized Stock Exchange(s)

☒ Yes

☐ No

(a) Details of stock exchanges where shares are listed

| S. No. | Stock Exchange Name | Code |
|--------|---------------------|------|
| 1 | BSE Limited | 1 |
| | | |

(b) CIN of the Registrar and Transfer Agent

U67190MH1999PTC118368

Pre-fill

Name of the Registrar and Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED

Registered office address of the Registrar and Transfer Agents

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikh
roli (West), NA

(vii) *Financial year From date 01/04/2023 (DD/MM/YYYY) To date 31/03/2024 (DD/MM/YYYY)

(viii) *Whether Annual general meeting (AGM) held ☒ Yes ☐ No

(a) If yes, date of AGM

26/09/2024

(b) Due date of AGM

30/09/2024

(c) Whether any extension for AGM granted

☐ Yes ☒ No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

*Number of business activities

2

| S.No | Main Activity group code | Description of Main Activity group | Business Activity Code | Description of Business Activity | % of turnover of the company |
|------|--------------------------|------------------------------------|------------------------|--|------------------------------|
| 1 | K | Financial and insurance Service | K7 | Financial Advisory, brokerage and Consultancy Services | 35.06 |
| 2 | K | Financial and insurance Service | K8 | Other financial activities | 64.94 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

*No. of Companies for which information is to be given

0

Pre-fill All

| S.No | Name of the company | CIN / FCRN | Holding/ Subsidiary/Associate/ Joint Venture | % of shares held |
|------|---------------------|------------|--|------------------|
| 1 | | | | |

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

(i) * SHARE CAPITAL

(a) Equity share capital

| Particulars | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|---|--------------------|----------------|--------------------|-----------------|
| Total number of equity shares | 6,000,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total amount of equity shares (in Rupees) | 60,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |

Number of classes

1

| Class of Shares | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|---|--------------------|----------------|--------------------|-----------------|
| EQUITY SHARES OF RS 10 EACH | | | | |
| Number of equity shares | 6,000,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Nominal value per share (in rupees) | 10 | 10 | 10 | 10 |
| Total amount of equity shares (in rupees) | 60,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |

(b) Preference share capital

| Particulars | Authorised capital | Issued capital | Subscribed capital | Paid-up capital |
|---|--------------------|----------------|--------------------|-----------------|
| Total number of preference shares | 0 | 0 | 0 | 0 |
| Total amount of preference shares (in rupees) | 0 | 0 | 0 | 0 |

Number of classes

0

| Class of shares | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|---|--------------------|----------------|--------------------|-----------------|
| | | | | |
| Number of preference shares | | | | |
| Nominal value per share (in rupees) | | | | |
| Total amount of preference shares (in rupees) | | | | |

(c) Unclassified share capital

| Particulars | Authorised Capital |
|-------------------------------------|--------------------|
| Total amount of unclassified shares | 0 |

(d) Break-up of paid-up share capital

| Class of shares | Number of shares | | | Total nominal amount | Total Paid-up amount | Total premium |
|-----------------|------------------|-------|-------|----------------------|----------------------|---------------|
| Equity shares | Physical | DEMAT | Total | | | |

| | | | | | | |
|---|---------|-----------|---------|------------|------------|---|
| At the beginning of the year | 385,495 | 1,114,505 | 1500000 | 15,000,000 | 15,000,000 | |
| Increase during the year | 0 | 0 | 0 | 40,550 | 40,550 | 0 |
| i. Public Issues | 0 | 0 | 0 | 0 | 0 | 0 |
| ii. Rights issue | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. Bonus issue | 0 | 0 | 0 | 0 | 0 | 0 |
| iv. Private Placement/ Preferential allotment | 0 | 0 | 0 | 0 | 0 | 0 |
| v. ESOPs | 0 | 0 | 0 | 0 | 0 | 0 |
| vi. Sweat equity shares allotted | 0 | 0 | 0 | 0 | 0 | 0 |
| vii. Conversion of Preference share | 0 | 0 | 0 | 0 | 0 | 0 |
| viii. Conversion of Debentures | 0 | 0 | 0 | 0 | 0 | 0 |
| ix. GDRs/ADRs | 0 | 0 | 0 | 0 | 0 | 0 |
| x. Others, specify | | | | 40,550 | 40,550 | |
| Dematerialization | | | | | | |
| Decrease during the year | 0 | 0 | 0 | 40,550 | 40,550 | 0 |
| i. Buy-back of shares | 0 | 0 | 0 | 0 | 0 | 0 |
| ii. Shares forfeited | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. Reduction of share capital | 0 | 0 | 0 | 0 | 0 | 0 |
| iv. Others, specify | | | | 40,550 | 40,550 | |
| Dematerialization | | | | | | |
| At the end of the year | 385,495 | 1,114,505 | 1500000 | 15,000,000 | 15,000,000 | |
| | | | | | | |
| Preference shares | | | | | | |
| At the beginning of the year | 0 | 0 | 0 | 0 | 0 | |
| Increase during the year | 0 | 0 | 0 | 0 | 0 | 0 |
| i. Issues of shares | 0 | 0 | 0 | 0 | 0 | 0 |
| ii. Re-issue of forfeited shares | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. Others, specify | | | | | | |
| | | | | | | |
| Decrease during the year | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------------------------------|---|---|---|---|---|---|
| i. Redemption of shares | 0 | 0 | 0 | 0 | 0 | 0 |
| ii. Shares forfeited | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. Reduction of share capital | 0 | 0 | 0 | 0 | 0 | 0 |
| iv. Others, specify | | | | | | |
| At the end of the year | 0 | 0 | 0 | 0 | 0 | |

ISIN of the equity shares of the company

INE609B01018

(ii) Details of stock split/consolidation during the year (for each class of shares)

0

| Class of shares | | (i) | (ii) | (iii) |
|------------------------------|----------------------|-----|------|-------|
| Before split / Consolidation | Number of shares | | | |
| | Face value per share | | | |
| After split / Consolidation | Number of shares | | | |
| | Face value per share | | | |

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) *

☒ Nil

[Details being provided in a CD/Digital Media]

☐

Yes

☐

No

☐

Not Applicable

Separate sheet attached for details of transfers

☐

Yes

☐

No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

| | | |
|--|--|---|
| Date of the previous annual general meeting | | |
| Date of registration of transfer (Date Month Year) | | |
| Type of transfer | | 1 - Equity, 2- Preference Shares, 3 - Debentures, 4 - Stock |

| | | | | | |
|--|---------|--|--|--|------------|
| Number of Shares/ Debentures/ Units Transferred | | | Amount per Share/ Debenture/Unit (in Rs.) | | |
| Ledger Folio of Transferor | | | | | |
| Transferor's Name | | | | | |
| | Surname | | middle name | | first name |
| Ledger Folio of Transferee | | | | | |
| Transferee's Name | | | | | |
| | Surname | | middle name | | first name |

| | | | | | | |
|--|---------|--|--|--|------------|--|
| Date of registration of transfer (Date Month Year) | | | | | | |
| Type of transfer | | 1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock | | | | |
| Number of Shares/ Debentures/ Units Transferred | | | Amount per Share/ Debenture/Unit (in Rs.) | | | |
| Ledger Folio of Transferor | | | | | | |
| Transferor's Name | | | | | | |
| | Surname | | middle name | | first name | |
| Ledger Folio of Transferee | | | | | | |
| Transferee's Name | | | | | | |
| | Surname | | middle name | | first name | |

(iv) *Debentures (Outstanding as at the end of financial year)

| Particulars | Number of units | Nominal value per unit | Total value |
|----------------------------|-----------------|------------------------|-------------|
| Non-convertible debentures | 0 | 0 | 0 |

| Particulars | Number of units | Nominal value per unit | Total value |
|-------------------------------|-----------------|------------------------|-------------|
| Partly convertible debentures | 0 | 0 | 0 |
| Fully convertible debentures | 0 | 0 | 0 |
| Total | | | 0 |

Details of debentures

| Class of debentures | Outstanding as at the beginning of the year | Increase during the year | Decrease during the year | Outstanding as at the end of the year |
|--------------------------------------|---|--------------------------|--------------------------|---------------------------------------|
| Non-convertible debentures | 0 | 0 | 0 | 0 |
| Partly convertible debentures | 0 | 0 | 0 | 0 |
| Fully convertible debentures | 0 | 0 | 0 | 0 |

(v) Securities (other than shares and debentures)

0

| Type of Securities | Number of Securities | Nominal Value of each Unit | Total Nominal Value | Paid up Value of each Unit | Total Paid up Value |
|--------------------|----------------------|----------------------------|---------------------|----------------------------|---------------------|
| | | | | | |
| | | | | | |
| Total | | | | | |

V. *Turnover and net worth of the company (as defined in the Companies Act, 2013)

(i) Turnover

6,160,122

(ii) Net worth of the Company

139,120,000

VI. (a) *SHARE HOLDING PATTERN - Promoters

| S. No. | Category | Equity | | Preference | |
|--------|---|------------------|------------|------------------|------------|
| | | Number of shares | Percentage | Number of shares | Percentage |
| 1. | Individual/Hindu Undivided Family | | | | |
| | (i) Indian | 347,227 | 23.15 | 0 | |
| | (ii) Non-resident Indian (NRI) | 0 | 0 | 0 | |
| | (iii) Foreign national (other than NRI) | 0 | 0 | 0 | |
| 2. | Government | | | | |
| | (i) Central Government | 0 | 0 | 0 | |

| | | | | | |
|-----|---|---------|-------|---|---|
| | (ii) State Government | 0 | 0 | 0 | |
| | (iii) Government companies | 0 | 0 | 0 | |
| 3. | Insurance companies | 0 | 0 | 0 | |
| 4. | Banks | 0 | 0 | 0 | |
| 5. | Financial institutions | 0 | 0 | 0 | |
| 6. | Foreign institutional investors | 0 | 0 | 0 | |
| 7. | Mutual funds | 0 | 0 | 0 | |
| 8. | Venture capital | 0 | 0 | 0 | |
| 9. | Body corporate (not mentioned above) | 441,344 | 29.42 | 0 | |
| 10. | Others | 0 | 0 | 0 | |
| | Total | 788,571 | 52.57 | 0 | 0 |

Total number of shareholders (promoters)

11

(b) *SHARE HOLDING PATTERN - Public/Other than promoters

| S. No. | Category | Equity | | Preference | |
|--------|---|------------------|------------|------------------|------------|
| | | Number of shares | Percentage | Number of shares | Percentage |
| 1. | Individual/Hindu Undivided Family | | | | |
| | (i) Indian | 555,373 | 37.02 | 0 | |
| | (ii) Non-resident Indian (NRI) | 65,272 | 4.35 | 0 | |
| | (iii) Foreign national (other than NRI) | 0 | 0 | 0 | |
| 2. | Government | | | | |
| | (i) Central Government | 0 | 0 | 0 | |
| | (ii) State Government | 0 | 0 | 0 | |
| | (iii) Government companies | 0 | 0 | 0 | |
| 3. | Insurance companies | 0 | 0 | 0 | |
| 4. | Banks | 0 | 0 | 0 | |
| 5. | Financial institutions | 0 | 0 | 0 | |

| | | | | | |
|-----|---|---------|-------|---|---|
| 6. | Foreign institutional investors | 0 | 0 | 0 | |
| 7. | Mutual funds | 0 | 0 | 0 | |
| 8. | Venture capital | 0 | 0 | 0 | |
| 9. | Body corporate (not mentioned above) | 90,784 | 6.05 | 0 | |
| 10. | Others | 0 | 0 | 0 | |
| | Total | 711,429 | 47.42 | 0 | 0 |

Total number of shareholders (other than promoters)

2,443

**Total number of shareholders (Promoters+Public/
Other than promoters)**

2,454

VII. *NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS
(Details, Promoters, Members (other than promoters), Debenture holders)

| Details | At the beginning of the year | At the end of the year |
|-----------------------------------|------------------------------|------------------------|
| Promoters | 11 | 11 |
| Members (other than promoters) | 2,351 | 2,443 |
| Debenture holders | 0 | 0 |

VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Composition of Board of Directors

| Category | Number of directors at the beginning of the year | | Number of directors at the end of the year | | Percentage of shares held by directors as at the end of year | |
|--|---|---------------|---|---------------|---|---------------|
| | Executive | Non-executive | Executive | Non-executive | Executive | Non-executive |
| A. Promoter | 1 | 1 | 1 | 1 | 2.49 | 4.97 |
| B. Non-Promoter | 1 | 0 | 1 | 0 | 0 | 0 |
| (i) Non-Independent | 1 | 0 | 1 | 0 | 0 | 0 |
| (ii) Independent | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Nominee Directors representing | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Banks & FIs | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) Investing institutions | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--------------------------|---|---|---|---|------|------|
| (iii) Government | 0 | 0 | 0 | 0 | 0 | 0 |
| (iv) Small share holders | 0 | 0 | 0 | 0 | 0 | 0 |
| (v) Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 1 | 2 | 1 | 2.49 | 4.97 |

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

5

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

| Name | DIN/PAN | Designation | Number of equity share(s) held | Date of cessation (after closure of financial year : If any) |
|-------------------|------------|--------------------|--------------------------------|--|
| SURENDRA BANTHIA | 00116969 | Director | 74,500 | |
| MANISH RAJENDRA E | 00117002 | Whole-time directo | 37,395 | |
| GIRIRAJ KUMAR DAM | 00333241 | Managing Director | 0 | |
| MANISH RAJENDRA E | ADLPB8925F | CFO | 37,395 | |
| SUDHA JODHANI | ASJPJ0087B | Company Secretar | 0 | |

(ii) Particulars of change in director(s) and Key managerial personnel during the year

0

| Name | DIN/PAN | Designation at the beginning / during the financial year | Date of appointment/ change in designation/ cessation | Nature of change (Appointment/ Change in designation/ Cessation) |
|------|---------|--|---|--|
| | | | | |

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS

Number of meetings held

1

| Type of meeting | Date of meeting | Total Number of Members entitled to attend meeting | Attendance | |
|------------------------|-----------------|--|----------------------------|-------------------------|
| | | | Number of members attended | % of total shareholding |
| Annual General Meeting | 26/09/2023 | 2,459 | 15 | 3.28 |

B. BOARD MEETINGS

*Number of meetings held

6

| S. No. | Date of meeting | Total Number of directors associated as on the date of meeting | Attendance | |
|--------|-----------------|--|------------------------------|-----------------|
| | | | Number of directors attended | % of attendance |
| 1 | 30/05/2023 | 3 | 3 | 100 |
| 2 | 14/08/2023 | 3 | 3 | 100 |
| 3 | 20/10/2023 | 3 | 3 | 100 |
| 4 | 13/11/2023 | 3 | 3 | 100 |
| 5 | 19/12/2023 | 3 | 3 | 100 |
| 6 | 14/02/2024 | 3 | 3 | 100 |

C. COMMITTEE MEETINGS

Number of meetings held

4

| S. No. | Type of meeting | Date of meeting | Total Number of Members as on the date of the meeting | Attendance | |
|--------|-----------------|-----------------|---|----------------------------|-----------------|
| | | | | Number of members attended | % of attendance |
| 1 | Stakeholders F | 30/05/2023 | 2 | 2 | 100 |
| 2 | Stakeholders F | 14/08/2023 | 2 | 2 | 100 |
| 3 | Stakeholders F | 13/11/2023 | 2 | 2 | 100 |
| 4 | Stakeholders F | 14/02/2024 | 2 | 2 | 100 |

D. * ATTENDANCE OF DIRECTORS

| S. No. | Name of the director | Board Meetings | | | Committee Meetings | | | Whether attended AGM held on |
|--------|----------------------|--|-----------------------------|-----------------|--|-----------------------------|-----------------|------------------------------|
| | | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of attendance | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of attendance | 26/09/2024 |
| | | | | | | | | (Y/N/NA) |
| 1 | SURENDRA E | 6 | 6 | 100 | 2 | 2 | 100 | Yes |
| 2 | MANISH RAJ | 6 | 6 | 100 | 4 | 4 | 100 | No |
| 3 | GIRIRAJ KUM | 6 | 6 | 100 | 4 | 4 | 100 | Yes |

X. * REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

☐ Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

1

| S. No. | Name | Designation | Gross Salary | Commission | Stock Option/ Sweat equity | Others | Total Amount |
|--------|-----------------|-----------------|--------------|------------|-------------------------------|--------|-----------------|
| 1 | GIRIRAJ KUMAR D | Managing Direct | 708,000 | 0 | 0 | 0 | 708,000 |
| | Total | | 708,000 | 0 | 0 | 0 | 708,000 |

Number of CEO, CFO and Company secretary whose remuneration details to be entered

1

| S. No. | Name | Designation | Gross Salary | Commission | Stock Option/ Sweat equity | Others | Total Amount |
|--------|---------------|---------------|--------------|------------|-------------------------------|--------|-----------------|
| 1 | SUDHA JODHANI | Company Secre | 204,000 | 0 | 0 | 0 | 204,000 |
| | Total | | 204,000 | 0 | 0 | 0 | 204,000 |

Number of other directors whose remuneration details to be entered

0

| S. No. | Name | Designation | Gross Salary | Commission | Stock Option/ Sweat equity | Others | Total Amount |
|--------|-------|-------------|--------------|------------|-------------------------------|--------|-----------------|
| 1 | | | | | | | 0 |
| | Total | | | | | | |

XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year ☐ Yes ☒ No

B. If No, give reasons/observations

Refer MGT 8

XII. PENALTY AND PUNISHMENT - DETAILS THEREOF

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS ☒ Nil

| Name of the company/ directors/ officers | Name of the court/ concerned Authority | Date of Order | Name of the Act and section under which penalised / punished | Details of penalty/ punishment | Details of appeal (if any) including present status |
|--|--|---------------|--|--------------------------------|---|
| | | | | | |

(B) DETAILS OF COMPOUNDING OF OFFENCES ☒ Nil

| Name of the company/ directors/ officers | Name of the court/ concerned Authority | Date of Order | Name of the Act and section under which offence committed | Particulars of offence | Amount of compounding (in Rupees) |
|--|--|---------------|---|------------------------|-----------------------------------|
| | | | | | |

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment

☒ Yes ☐ No

XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

PUNIT SHAH

Whether associate or fellow

☒ Associate ☐ Fellow

Certificate of practice number

7506

I/We certify that:

- (a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.
(b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.

Declaration

I am Authorised by the Board of Directors of the company vide resolution no. ... 09 dated 13/07/2015

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

- Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
- All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be digitally signed by

Director

Digitally signed by
GIRIRAJ KUMAR CHANDRA
KUMAR DAMANI
Date: 2024.09.28
12:11:58 +05'30'

DIN of the director

03*3*4*

To be digitally signed by

Digitally signed by
PUNIT PRADIP
SHAH
Date: 2024.09.28
12:12:28 +05'30'

- ☐ Company Secretary
☒ Company secretary in practice

Membership number

2*5*6

Certificate of practice number

7*0*

Attachments

1. List of share holders, debenture holders
2. Approval letter for extension of AGM;
3. Copy of MGT-8;
4. Optional Attachement(s), if any

Attach**Attach****Attach****Attach****List of attachments**

The_First_Custodian_Fund__India__Limited
MGT-8 - Certificate by PCS - First.pdf

Remove attachment

Modify

Check Form

Prescrutiny

Submit

This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company