

**'Note ban: firms put, drew Rs. 17,000 cr.'**

Discrepancies noted: Details on firms with dubious cash deals will be shared with enforcement authorities, the Centre said.

More than Rs. 17,000 crore was deposited and withdrawn post-demonetisation, by 35,000 companies, the government said on Sunday.

It further said about 2.24 lakh companies had been struck-off till date from the Registrar of Companies for remaining inactive for a period of two years or more.

The Corporate Affairs Ministry said in a statement that to address the criminal angle, the Director, Additional Director or Assistant Director of the Serious Fraud Investigation Office (SFIO) had been authorised to arrest any person believed to be guilty of any fraud punishable under the Companies Act.

Besides, it said, steps were under way to set up the National Financial Reporting Authority (NFRA), an independent body that would test-check financial statements, prescribe accounting standards and take disciplinary action against errant professionals.

In addition, a separate initiative is also under way to develop a state-of-the-art software application to put in place an 'Early Warning System' — to be housed in SFIO — to strengthen the regulatory mechanism, it added. Following the striking-off of defaulting companies, restrictions had been imposed on the operation of their bank accounts.

Information received from 56 banks showed in respect of 35,000 companies, involving 58,000 accounts, more than Rs. 17,000 crore was deposited and withdrawn post-demonetisation, according to the statement.

"In one case, a company which had a negative opening balance on November 8, 2016, deposited and withdrew Rs. 2,484 crore post-demonetisation."

**Curbs on property**

Besides the restrictions on bank accounts, action had also been taken to restrict sale and transfer of moveable and immoveable properties of struck-off companies until they were restored. States were advised to take necessary action in this regard by disallowing registration of such transactions, it said. Stating a company was found to have had as many as 2,134 accounts, the Ministry said information about such companies had been shared with enforcement authorities for further action.

**Action on directors**

Separately, action had been taken to disqualify directors on boards of companies that failed to file financial statements and/or annual returns for a continuous period of three financial years between 2013-14 and 2015-16. About 3.09 lakh directors were affected by the action.

To check the problem of dummy directors, action was being taken to seed DIN (director identification number) with PAN and Aadhaar at the stage of DIN application through biometric matching. It may be extended to legacy data in due course.

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