

MCA Plans to Collect Passport Details of Companies' Directors

The Ministry of Corporate Affairs (MCA) is considering a proposal to collect passport details of people serving as directors on the boards of companies as part of efforts to prevent fraudsters from fleeing the country, according to a senior official. The proposal assumes significance amid instances of people leaving the country after defaulting on bank loans and siphoning of funds.

The ministry, which is implementing the Companies Act, has stepped up efforts to curb illicit fund flows and has already deregistered more than 2.26 lakh firms for not carrying out business activities for long.

Corporate Affairs Secretary Injeti Srinivas has said the ministry is considering a proposal to collect passport details of directors of companies.

“The passport details at the digital warehouse will help authorities to take timely action and check fraudsters from fleeing the country,” he said in a message published in the ministry's newsletter for the month of March.

(Economic Times)