

Banking Regulation Act, 1949

Section 45L - Public Examination of Directors and Auditors, Etc., in Respect of a Banking Company Under Schemes of Arrangement

(1) Where an application for sanction a compromise or arrangement in respect of a banking company is made under [1](#)[section 39] of the Companies Act, 1956 (1 of 1956)], or where such sanction has been given and the High Court is of opinion, whether on a report of the Reserve Bank or otherwise, that any ' person who has taken part in the promotion or formation of the banking company or has been a director or auditor of the banking company should be publicly examined, it may direct such examination of such person and the provisions of section 45G shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up.

(2) Where a compromise or arrangement is sanctioned under [1](#)[section 391 of the Companies Act, 1956 (1 of 1956)], in respect of a banking company, the provisions of [2](#)[section 543 of the said Act] and of section 45H of this Act shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

[3](#)(3) Where [4](#)[a scheme of reconstruction or amalgamation of a banking company] has been sanctioned by the Central Government under section 45 and the Central Government is of opinion that any person who has taken part in the promotion or formation of the banking company or has been a director or auditor of the banking company should be publicly examined, that Government may apply to the High Court for the examination of such person and if on such examination the High Court finds (whether a fraud has been committed or not) that that person is not fit to be a director of a company or to act as an auditor of a company or to be a partner of a firm acting as such auditors, the Central Government shall make an order that that person shall not, without the leave of the Central Government, be a director of, or in any way, whether directly or indirectly, be concerned or take part in the management of any company or, as the case may be, act as an auditor of, or be a partner of a firm acting as auditors of, any company for such period not exceeding five years as may be specified in the order.

(4) Where [5](#)[a scheme of reconstruction or amalgamation of a banking company] has been sanctioned by the Central Government under section 45, the provisions of section 543 of the Companies Act, 1956 (1 of 1956), and of section 45H of this Act shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the scheme of reconstruction or amalgamation, as the case may be, were an order for the winding up of the banking company; and any reference in the said section 543 to the application of the official liquidator shall be construed as a reference to the application of the Central Government.]

1. Substituted by Act 95 of 1965, Section 14 and Schedule, for "section 153 of the Indian Companies Act, 1913 (7 of 1913)" w.e.f. 14-1-1957.

2. Substituted by Act 95 of 1956, Section 14 and Schedule, for "section 235 of the said Act" w.e.f. 14-1-1957.

3. Inserted by Act 37 of 1960, Section 7.

4. Substituted by Act 7 of 1961, Section 5, for certain words.

5. Substituted by Act 7 of 1961, Section 5, for certain words.