

The Companies Act, 2013

Chapter-XVI Prevention of Oppression and Management

Section 241: Application to Tribunal for relief in cases of oppression, etc.

***241.** (1) Any member of a company who complains that—

(a) the affairs of the company have been or are being conducted in a manner prejudicial to public interest or in a manner prejudicial or oppressive to him or any other member or members or in a manner prejudicial to the interests of the company; or

(b) the material change, not being a change brought about by, or in the interests of, any creditors, including debenture holders or any class of shareholders of the company, has taken place in the management or control of the company, whether by an alteration in the Board of Directors, or manager, or in the ownership of the company's shares, or if it has no share capital, in its membership, or in any other manner whatsoever, and that by reason of such change, it is likely that the affairs of the company will be conducted in a manner prejudicial to its interests or its members or any class of members,

may apply to the Tribunal, provided such member has a right to apply under [section 244](#), for an order under this Chapter.

(2) The Central Government, if it is of the opinion that the affairs of the company are being conducted in a manner prejudicial to public interest, it may itself apply to the Tribunal for an order under this Chapter.

¹[Provided that the applications under this sub-section, in respect of such company or class of companies, as may be prescribed, shall be made before the Principal Bench of the Tribunal which shall be dealt with by such Bench.]

¹[(3) Where in the opinion of the Central Government there exist circumstances suggesting that--

(a) any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law or of breach of trust;

(b) the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices;

(c) a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains; or

(d) the business of a company is or has been conducted and managed by such person with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest,

the Central Government may initiate a case against such person and refer the same to the Tribunal

with a request that the Tribunal may inquire into the case and record a decision as to whether or not such person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.

(4) The person against whom a case is referred to the Tribunal under sub-section (3), shall be joined as a respondent to the application.

(5) Every application under sub-section (3)--

(a) shall contain a concise statement of such circumstances and materials as the Central Government may consider necessary for the purposes of the inquiry; and

(b) shall be signed and verified in the manner laid down in the Code of Civil Procedure, 1908, for the signature and verification of a plaint in a suit by the Central Government.]

Reference

*[Effective from](#) 01.06.2016

1. Inserted by the [Companies \(Amendment\) Act, 2019](#), w.e.f. 15.08.2019[S.O. 2947(E) dated 14.08.2019].

Access complete Bare Act [here](#). To research Section and sub-section wise judgments, [visit here](#).

[Join WhatsApp Channel](#)

[Subscribe now](#)

[Join WhatsApp Channel](#)

[Subscribe Now](#)

[Corporate Plan](#)

[Dashboard/OnePage](#)

[Case Laws Portal](#)

[Bare Acts/Legal Contents](#)

[IBC Commentary](#)

[Arbitration Portal](#)

[Case Citation](#)

[Weekly Bulletins](#)

[Articles](#)

[e-Journals](#)

[Annual Case Digest](#)

[Testimonials](#)

Follow for daily updates:

-  [Facebook](#)
-  [LinkedIn](#)
-  [Telegram](#)
-  [X](#)
-  [WhatsApp](#)
-  [YouTube](#)

[Download Mobile App](#)

[Subscribe Daily Email Newsletter](#)

- - -

Disclaimer: While every effort is made to avoid any mistake or omission, this document including case-summary/brief about the decision/ add. info/headnote/ judgment/order/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this document. The authenticity of this text must be verified from the original source. Read more [here](#).