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## Special Business or Ordinary Business

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CA CS Amit Borade (Chief Accountant) 24 May 2010

**Additional Director appointed at Board meeting whose term expires on the AGM, to be appointed as a Director u/s 257 in the AGM.**

**Is it a Ordinary Business or Special Business?**



Nitin Grover (CS) 24 May 2010

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Pls Refer Section 189

Regards



••• [Jyoti Aggarwal](#) (COMPANY SECRETARY) 24 May 2010

Dear Frnd,

It is a special businesss...

As per sec 173 (1)(a) all the business except:

- 1.adoption of accounts
  2. appt of auditors
  - 3.declaration of dividend
  4. appt of director in place of retiring director
- are special business.

in ur case there is regularisation of additional director which is not come under 4th point.



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••• [Ankur Garg](#) (Company Secretary and Compliance Officer) [🕒 24 May 2010](#)

Regularization of additional director in an AGM is a special business for which explanatory statement under section 173 is required. This resolution is required to be passed by ordinary resolution.

Thanks



••• [Ankur Garg](#) (Company Secretary and Compliance Officer) [🕒 24 May 2010](#)

For More information and knowledge kindly check the link below and revert if there is any doubt:

[Special Business vis-a-vis Ordinary Business](#)



••• [Kumar](#) (Article) [🕒 24 May 2010](#)

In an Annual General Meeting there are just four items which constitute Ordinary business.

They are (u/s 173(1))

Consideration of Accounts and report of Director and Auditor

Declaration of Dividend

Appointment of Director in place of those retiring

Appointment and fixation of remuneration of Auditors

Apart from the above mentioned 4 items all other business will constitute Special Business.

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In an Extra Ordinary General Meeting all business are special business.

In ur case the appointment of Additional Director as director is a special business.



• • • [Nitin Singhal](#) (Gaining knowledge...) [🕒 24 May 2010](#)

As per sec 173 (1)(a) all the business **except following** every other business is **special business**:

1. adoption of accounts
2. appointment of auditors
3. declaration of dividend
4. appointment of director in place of those retiring director

Hence it is special business.

Although it is a special business it does mean that it requires Special Resolution.  
Appointment of Director in this case will be done by passing ordinary resolution.



• • • [CS Ankur Srivastava](#) (Company Secretary & Compliance Officer) [🕒 25 May 2010](#)

Agreed with the learned members.

Except the 4 ordinary business, all the business to be transacted in the AGM are Special Business which may be passed either by Ordinary Resolution or Special Resolution.

Thus, regularisation of Additional Director is a Special Business which is to be passed by way of Ordinary Resolution.



• • • [Manjeet Mehra](#) (CA in Full time Practice) [🕒 25 May 2010](#)

Reappointment of a director is a special business as per sec-173 of the act.



• • • [Rajiv Raj Jain](#) (Accountant) [🕒 02 September 2011](#)

I disagree with the above comments

here is my view

Appointment of Directors in the place of those retiring is an item of ordinary business to be transacted at the AGM according to Sec 173(1)(a)

Retirement of Directors as contemplated us 173 may be rotation, efflux of time or otherwise

So, if an Additional Director appointed by the Board of Directors ceases to hold office us 260 and if such Director is to be re-appointed as Regular Director at the AGM, Sec 173(1)(a) would be attracted and it would be treated as ordinary business

Hence, Explanatory statement us 173(2) for special business is not required for such resolution



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