

M-11022/32/2026-OMB/CRCS
Office of Cooperative Ombudsman
Ministry of Cooperation
Government of India

9th Floor, Tower-E, World Trade Centre,
Nauroji Nagar, Delhi-110029
29th June, 2026

Hearing in the matter of Shri M. Dinesh Vs. Repatriates Cooperative Finance & Development Society Ltd., Chennai, Tamil Nadu before Cooperative Ombudsman

Shri M. Dinesh

Complainant

Repatriates Cooperative Finance & Development
Society Ltd., Chennai, Tamil Nadu

Respondent

ORDER

- (a) Shri M. Dinesh, in his complaint, has stated that he is a "A" class member of Repatriates Cooperative Finance & Development Society Ltd., Chennai, Tamil Nadu. He was issued four shares of Rs.100 @ Rs.25 per share. He, vide application dated 08th October, 2025 submitted a cheque of Rs.10000 and requested the society for allotment of additional shares of equivalent amount. He, vide his subsequent letters dated 28th November, 2025 and 18th December, 2025, reiterated his request. He submitted that he was verbally informed that additional shares would not be issued to him.

(b) The society, in its letter dated 30th December, 2025 to the complainant, referred to a resolution dated 25th March, 2017 of its Board of Directors, wherein the society has prescribed that an 'A' class member can subscribe four shares only of Rs.100 @ Rs.25 per share. Accordingly, the society refused to accede to his request for allotment of additional share capital.

(c) Complainant, vide letter dated 31st December, 2025 addressed to the society, contended that the restriction flows only from a board decision and not from any provision of the bye-laws or statute. Complainant has questioned the denial of his voluntary subscription to the society share capital, as the paid up share capital is Rs.152.62 crore and the authorized share capital is Rs.500 crore.
- Office of the Cooperative Ombudsman issued a notice dated 02nd March, 2026 to the respondent society seeking its response to the complaint.
- The society, vide reply dated 16th March 2026, stated that as per resolution passed by the Board in its meeting held on 25th March, 2017, only 4 shares amounting to Rs.100 shall be allotted to 'A' class members only to avail services of the society and no additional share capital shall be permitted to any 'A' class member.




4. The respondent society has also stated that no additional share capital has been issued to any member since 2017.
5. On perusal of the facts and available record, following aspects emerge:
 - a) As per bye-laws of the society, the maximum amount of share capital, which a member can hold, is decided by the board from time to time. The action of the society in refusing the additional shares to the complainant flows from board resolution dated 25th March, 2017, which restricted the number of shares to four, amounting to Rs.100.
 - b) The society has claimed to have maintained uniformity in allotment of shares as per its board resolution.
 - c) The contention of the complainant that additional share capital should be allotted to members, as paid-up share capital is Rs.152.62 crore in comparison to authorized share capital of Rs.500 crore, is erroneous. It is the prerogative of any society to decide the amount of share capital required for its smooth functioning.
6. After due consideration of representations made, documents submitted and the relevant provisions of law, the matter is hereby disposed off as under:

Share capital of a society is governed by its requirement and the procedure as prescribed in its bye-laws. The society vide its board resolution dated 25th March, 2017 has continued with the practice of minimum share capital of Rs.100 (4 shares of Rs.25 each) on an ongoing basis. The society has also claimed to have maintained uniformity in its allotment of shares to the members.

Any claim for additional shares cannot be a matter of right and the society is justified in its action in denying the same.

The contention of Shri M. Dinesh for additional shares is not maintainable and hereby stands dismissed.


(Alok Agarwal)
Cooperative Ombudsman

Complainant:

Shri M. Dinesh, 13/9, Salai Vinayagar Koil Street, Mannady, Chennai, Tamil Nadu - 600 001,

Respondent:

The Chairman, Repatriates Cooperative Finance & Development Society Ltd.
"REPCO TOWER", 33, North Usman Road, T. Nagar, Chennai, Tamil Nadu- 600 017

Copy to:

IT Cell with a request to upload on CRCS website.