

Customer Grievance Redressal Management Policy & Guidelines

Verified by

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The Customer Grievance Redressal Mechanism Policy & Guidelines is approved by the Board of Directors at the Board Meeting held on 28th June 2021

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Customer Grievance Redressal Mechanism Policy & Guidelines

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Introduction

Pahal Financial Services Private Ltd (PF SPL) as a Micro Finance Company have a Mission to provide sustainable services for Financial Inclusion in Urban and Rural areas with proficiency, at an affordable price and to maintain dignity, honor and transparency in our dealings with the borrowers at all the times.

Objectives

The company's policy, on Grievances Redressal has been formulated considering the following objectives:

- Borrowers are always treated fairly
- Complaints raised are dealt with courtesy and responded on time.
- All complaints are dealt efficiently and fairly without bias towards sex, ethnicity, caste, creed or religion.
- Borrowers are fully informed of the channels to escalate their complaints / grievances within and outside the organization (Sa-Dhan and RBI Nodal Officer)
- The company's employees will work in good faith and without prejudice to the interests of the borrowers
- To provide timely solution of the issue/complaints/grievances of the Borrowers to make them satisfied and ensure long term association with them.

Customer Grievance Redressal Mechanism – What it means

Grievance Redressal Mechanism refers to a system for collecting, resolving and responding to clients' questions, complaints and queries using client feedback to improve products, services and operations.

An effective mechanism is one that allows for a timely response to client and enables the institution to address both individual and systematic problems.

Scope and Definitions

The policy is applicable to all clients – existing clients, drop-out clients and potential clients.

Common definitions used in the policy are:

- **Complaints:** expression of problems, dissatisfaction or concern about the company product terms, or services or staff. Examples include complaints about delay in loan processing, rejection of loan application, delay in insurance claim, non-payment by group members and group issues; staff misbehavior, misappropriation of funds, unauthorized activities or any serious issue to be classified as grievances.
- **Query:** when the clients call or inquire about loan, interest amount, EMI, KYC details, insurance claim, disbursement, credit into the bank account and other products
- **Information:** when clients call to give information. For instance, change in the venue of the centre meeting, that they are ready with the KYC documents, death of a client/spouse etc.

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- **Nodal Officer:** PFSP's appointed staff who is designated 'Nodal Officer' or Grievance Redressal Officer (GRO) as per the RBI Fair Practice Code for NBFC-MFIs
- **Grievance Redressal Committee:** is a committee set up by PFSP with inter-departmental heads for speedy resolution and better coordination among departments
- **Resolution:** formal process of resolving a complaint raised by client.

Options available for clients to raise complaints

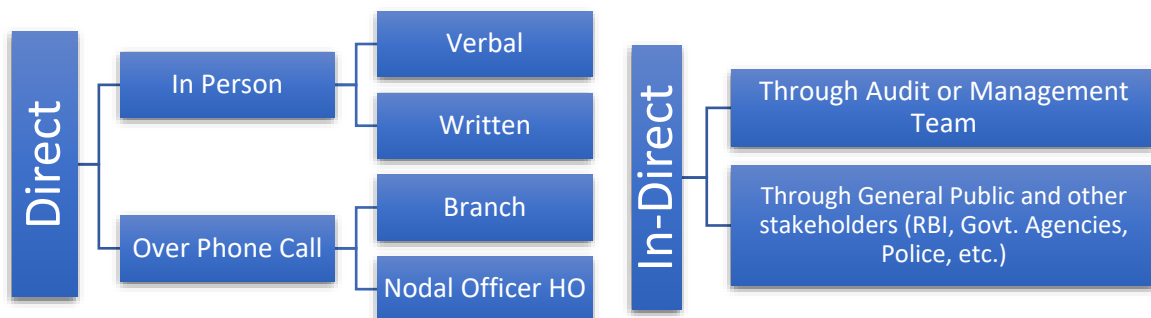
PFSP has identified the following ways of addressing customer grievances/complaints:

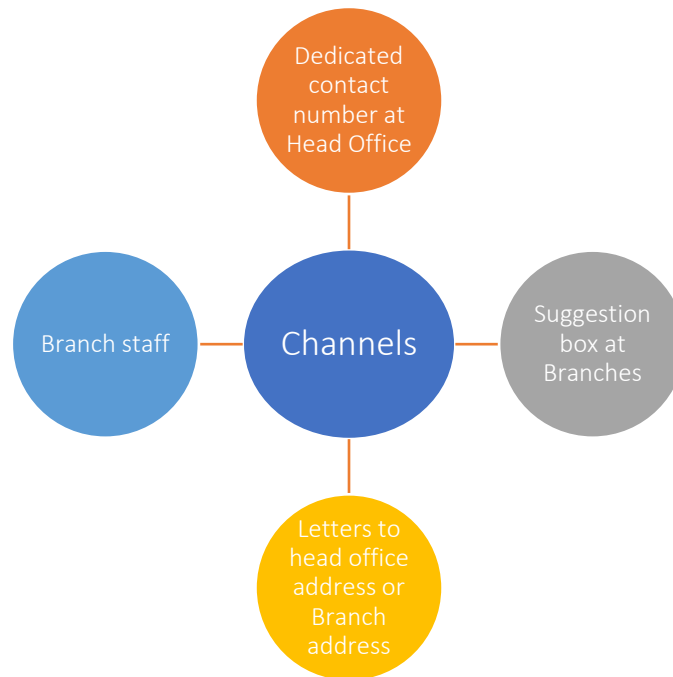
1. Direct

- In person – Reporting directly at the Branch Office of PFSP
 - Verbally – to be noted in the Complaint Register
 - In writing – in the Complaint Form
- Over Phone Call – Reporting about the issue over Nodal Officer Number

2. In-direct

- Through Audit and Management Team – Issues highlighted by Internal Audit and Management team
- Through General Public and Other Stakeholders (RBI, SRO, Government Agencies)





Dedicated contact number at HO:

PFSP will have a landline /Mobile /Toll-free number dedicated to the Grievance Redressal Department. Customer can call at the provided number for any query or to register the complaint.

Complaints registered with the Branch staff:

A complaint register will be maintained at the branches. Any complaint registered with the Branch Staff will be forwarded to the Branch Manager and he will take necessary actions based on the type of complaint. Every complaint received at the branch should be updated in the Complaint Register.

Suggestion box at Branches:

Clients can call forward their complaints in writing. They can write down their complaints and put it in the Suggestion Box kept at the Branch Office. This Box shall be opened by the concerned AM/ASM every week.

Letters to Head Office address or Branch address:

Clients can forward their complaints in writing by sending letter to the Head Office. The Complaints must be addressed to the Nodal Officer only.

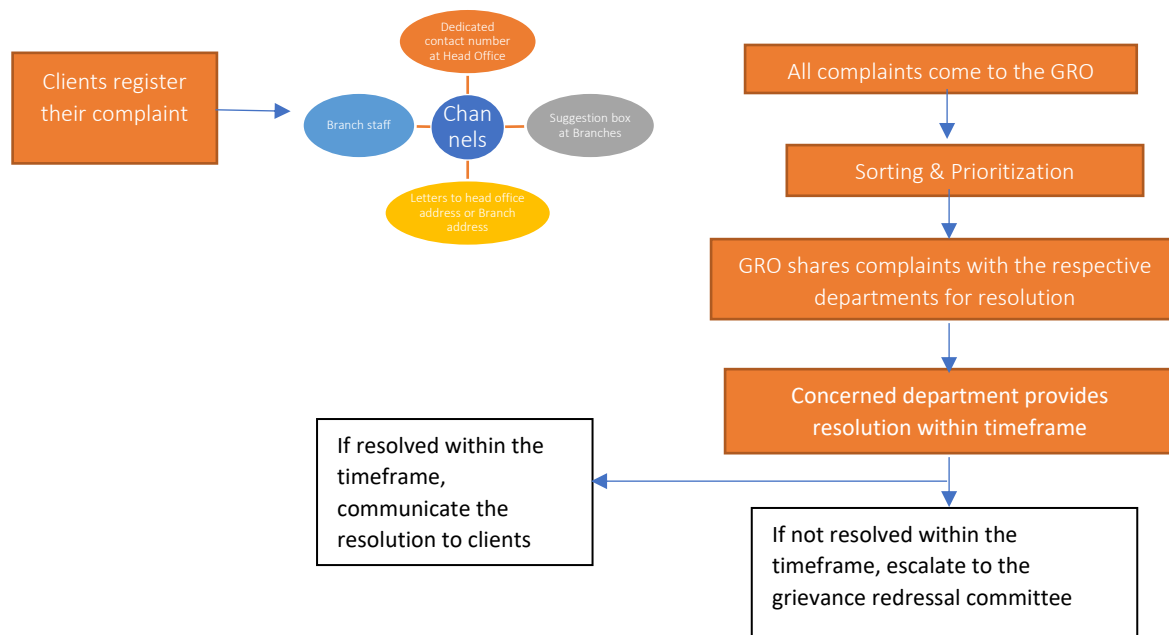
Other sources

Complaints can also come from other sources such as SRO toll free number or RBI nodal office in case clients reach to those sources first for raising complaints.

Any complaint received by any mode will first be recorded by the recipient and then forwarded to the Nodal Officer

Complaints Resolution & Escalation

Overview of the complaint's resolution process



PFSP will constitute a grievance redressal committee (GRC) with the following persons to deal with in-house coordination and escalation. This committee will also monitor the complaints resolution status and reporting monthly:

- Nodal Officer
- Company Secretary
- Ms. Purvi Bhavsar– Managing Director
- HR head
- Respective business heads

If the complaints are NOT resolved by Nodal Officer of PFSP within the timeframe (1 month), the following is the escalation options available to the clients.

1. Ms. Purvi Bhavsar, Managing Director can be directly approached at Head Office (027-17479169).
2. In case, PFSP is unable to resolve the grievance, customer can approach Sa-dhan GRO: A. Nandi at 011-47174018.
3. Customer can also approach RBI at: Reserve Bank of India, Department of Non-banking Services, First Floor, Ashram Road, Ahmedabad – 380014 Tel: 91-79-27545652/27540581, email: dnbsahmedabad@rbi.org.in

Timeframes

As a policy, PFSP will undertake to resolve the complaints from members within 1 month of the complaints raised. However, in case the complaints are complex to resolve and may require

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investigation, the resolution may take up more time. In case of delay in resolution, PF SPL will promptly notify the members by calling them on the mobile number given or through the Branch staff about the possible date of resolution.

Complaints are categorized into severe and non-severe complaints. Severe complaints are those related to bad staff behavior, frauds, delay in insurance claim settlement etc etc. Non-severe complaints are those that are related to policies (for eg: loan size is not adequate), processes (it is taking long time to get loans), some cases of services (loan officer is late, etc etc), product (interest is too high).

Timelines to respond to client complaints

Severe complaints are taken up on priority and resolved within 15 days, where possible. If the complaint is complex, resolution may take up to 1 month. Non-severe complaints are taken up and resolved within 1 month.

The complaints are further classified into the categories for sorting and sharing with respective departments. This is explained in **Annexure B**.

Communication of the policy and process to staff

The policy will be communicated to all the staff by:

- Emails / memo to all the existing staff which will be sent by the Management Representative
- The policy and process to be followed for complaints resolution will be included in the induction training material for new staff. The new induction training material will also include a module on complaints handling
- Employee training material will contain the detailed processes to be adopted for registering and responding to the customer grievance.
- Posters that explain the complaints mechanism and escalation will be displayed at the Branch

Communication of the policy and process to clients

The complaints mechanism will be communicated to members in the following manner:

- Loan Passbooks: all the complaint mechanisms available to the members are included in the back cover of passbooks
- Loan application & agreement, Sanction letter
- CCT: In the 3-day centre training, the clients are informed of their right to complain and the process of registering complaint are explained
- Branch manager / Area Manager / Area Sales Manager / Audit & Monitoring teams during their visits also inform the clients about their right to complain and the options available for the clients
- Posters that explain the complaints mechanism will be displayed at the Branch

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- Company website
- Auditors during their visit to the Centres provide training and awareness about the existence of the Grievance policy.

Audit of Grievance Redressal Mechanism

The Audit & monitoring staff checks the registers and contacts the clients with serious grievance to enquire if their complaint has been satisfactorily resolved.

PFSP's grievance cell is audited as part of Branch Office audit. Internal Auditors enquire with clients during centre visits, if they have any complaints and if those raised were settled satisfactorily. The auditors also check the grievance registers during the Branch Office audit, to verify if the complaints have been settled satisfactorily. Pending cases are followed-up through field audits.

- Audit Department will be responsible for checking compliance to Complaint Resolution on Sample Basis.
- Month wise Branch complaint resolved data will be supplied by the Nodal Officer Grievance to the Audit Department.
- In case any complaint is not resolved and wrongly reported by the Branch, it will be captured in the Audit report and reported to the Nodal Officer.
- In such cases, Grievance will track the issue and change the status of the issue to 'Open', whereby resolution of the issue is to be followed as described earlier
- Concerned department head will also be appraised for strict action against the person falsely reporting complaint resolution

Other guidelines

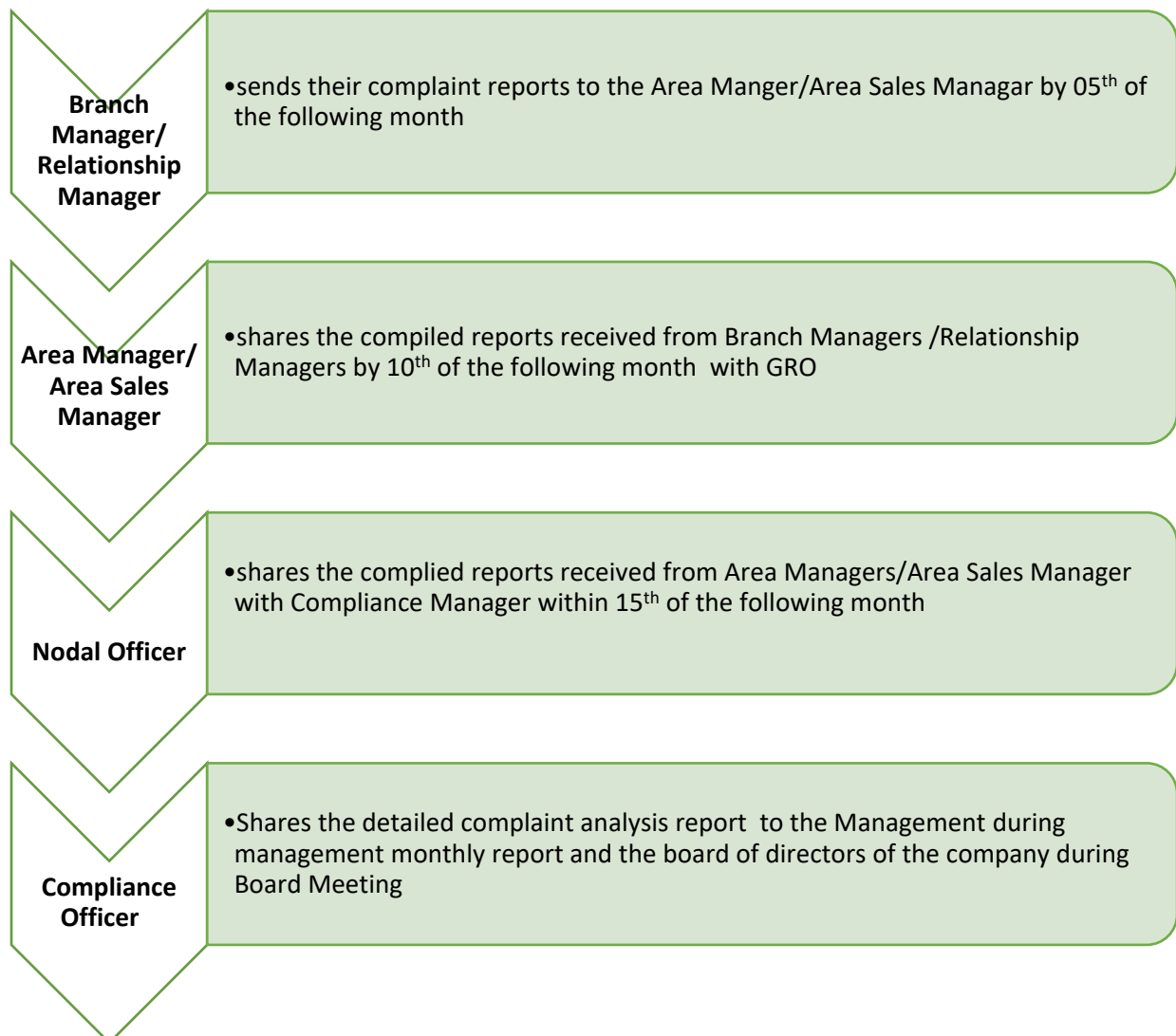
- All complaint, queries, grievances must be documented in the format mentioned in **Annexure D**.
- The compiled report must be sent by Nodal Officer to the Compliance Officer by 15th of the following month.
- The Compliance Officer must share the detailed complaint analysis report with the Management during management monthly report and the Board of Directors of the Company during Board Meeting.
- Based on the queries, complaints, grievance received, corrective actions in products and process must be done with the approval of the Directors and the same should be placed before the Board of Directors in the subsequent Board Meeting.
- Penalty must be imposed for non-adherence to the policies and procedures outlined in the disciplinary procedures in the HR manual

Basic Etiquettes to be followed while handling calls

- Always greet "Namaskar " after picking the call
- End all calls with "Dhanyawad".

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- Use basic good manners- be courteous & helpful
- Treat callers with respect
- Answer the telephone, if possible, immediate after the first ring, but definitely no later than immediately after the third ring.
- Give the caller your complete attention.
- Keep your mouth free of gum or food when you talk on the telephone.
- Speak clearly and in a positive tone of voice to avoid any sense of interruption by the caller.
- Let the caller hang up first
- Don't be aggressive while on call.
- While handling i.e receiving or making customer/branch calls don't use your mobile phones for personal work either for messages, whatsapp or calls.



Annexures

Annexure A: Reporting Channels for Grievance Redressal Reports

POSITIONS	ROLES AND RESPONSIBILITIES
BRANCH MANAGER/ RELATIONSHIP MANAGER	<ul style="list-style-type: none"> • To record client's complaint received through calls, letter and walk-in in the Branch Complaint Register. • To make sure that the complaints are resolved in a timely manner as per the defined turnaround time • In case the complaint is not resolved then the same shall be escalated as per escalation matrix. • To send all the details of the complaints received to Area Manager by 5th of the following Month. • To keep the Branch Complaint Register. • To ensure that the Complaint/Suggestion Box is kept locked all the time. It should be opened only by Branch Manager /Area Manager.
AREAMANAGER/ AREA SALES MANAGER	<ul style="list-style-type: none"> • To track the client's complaint received at the Branches through complaint register. • To make sure that the complaints are resolved in timely manner as per the defined turnaround time • In case the complaint is not resolved then the same shall be escalated as per escalation matrix. • To send all the details of the complaints received to Nodal Officer by 10th of the following month in Grievance Redressal Tracker
NODAL OFFICER	<ul style="list-style-type: none"> • To record and resolve the complaints received directly from the clients or unresolved complaint escalated from the Branches. • To share the complaints with respective departments for resolution. • To make sure that the complaints are resolved in timely manner as per the defined turnaround time • In case the complaint is not resolved then the same shall be escalated as per escalation matrix. • To consolidate the GR Tracker received from all the Area Managers • Send the consolidated GR tracker to the Compliance Officer by 15th of the following month
MANAGING DIRECTOR	<ul style="list-style-type: none"> • To resolve the unresolved complaint received through escalation matrix • To inform the Nodal Officer about such complaints for recording and reporting
COMPLIANCE OFFICER	<ul style="list-style-type: none"> • To send the detailed complaint analysis report to the Management during management monthly report and the Board of Directors of the company during Board Meeting. • To report to SRO on GRM resolution

Annexure B: Complaint resolution matrix



Type of Complaints/Grievances		Priority Level	Timelines
Products / Process Related	Change in Repayment Cycle	Medium	15 working days
	Inquiry of Loan Products/ Service Points	Medium	
Transaction Related	Record Keeping	High	15 working days
	Commission charged by leader	High	
	Acknowledgement receipt not provided	High	
	Passbook not issued	Medium	
Staff Behavior	Insurance settlement	High	7 working days
	Ethical Behavior, Bribe and other issues	High	
Over Indebtedness	Poor customer handling	High	15 working days
	Exclusion due to Credit Bureau	High	
Pricing and cost of Loan	Credit Bureau report showing dues	High	30 working days
	Interest rate	Medium	
Collection Practices	Initial amount required	Medium	15 working days
	Forced Collection	High	
Sharing of Personal/Financial Information	Punctuality of the FCO during collection	High	60 working days
	Return documents from branch on cancellation	Medium	

Annexure C: Escalation Process

Escalation	Designation	Time Frame	Details
	Branch Manager/ Relationship Manager	3 working days	Their contact details are displayed at respective Branches
1 st Level	Area Manager/ Area Sales Manager	7 working days	Their contact details are displayed at respective Branches
2 nd Level	Nodal Officer	10 working days	Name: Ms. Nisha Dwivedi Contact Number: (M): 7043334319, Toll-free No:1800120123400 Email: nisha.dwivedi@pahalfinance.com Head Office Address: 7 th Floor, Binori B Square – 2, Opp. Hathising ni Vadi, Ambli Iscon Road, Ahmedabad – 380054
3 rd Level	Managing Director	3 working days	Name: Ms. Purvi Bhavsar Contact Number: (M):8155004110, (O): 027- 17479169 Email: purvi.bhavsar@pahalfinance.com Address: 7 th Floor, Binori B Square – 2, Opp. Hathising ni Vadi, Ambli Iscon Road, Ahmedabad – 380054
4 th Level	Sa-dhan (SRO)		GRO: A. Nandi at 011-47174018
5 th Level	Reserve Bank of India		Officer in Charge of the Regional Office of DNBS of RBI, Ahmedabad under whose jurisdiction the registered office of PFSP falls. Tel: 91-79-27545652/27540581 Email: dnbsahmedabad@rbi.org.in Address: Reserve Bank of India, Department of Non-banking Services, First Floor, Ashram Road, Ahmedabad – 380014



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Annexure D: Report Format

Sr. No.	Date of Complaint received	Clients Name	Branch	Cluster	State	Client ID	Address	Mobile No.	Mode of Complaint	Query Related to	Action taken	Status of Complaint	Date on which complaint resolved
1													
2													
3													
4													
5													
6													
7													



Complaint Register
Format.xlsx