

SINDHUJA MICROCREDIT PVT LTD.

Customer Grievance Redressal Policy

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Overview

Sindhuja operates in an industry which is a service industry and is characterised by enduring relationship built with customers. This makes it imperative to focus on customers' satisfaction specifically over the course of the entire relationship. Herein lies the importance of developing and implementing a customer grievance handling mechanism with the aim of providing customer delight through customer service.

Policy Objectives

The key objective of this Policy is to effectively address instances of customer dissatisfactions by setting-up systems, procedures and review mechanisms for quick redressal of customers grievances/complaints. The other objectives of this policy are as following:

- 1) Implement a formal grievance redressal mechanism for customers
- 2) Ensure that customers grievances are addressed in a fair and unbiased manner
- 3) Ensure effective and efficient resolution of customer grievances
- 4) Enhance customer awareness about the various grievance reporting channels provided by the Company
- 5) Protect customers against fraudulent and unethical practices

Scope of the Policy

This policy shall apply to all Customers of the Company and shall cover all the products and services offered by the Company. This policy shall cover all grievances raised by the customers and the systems and processes employed to address these grievances.

Principles of Grievance Redressal Mechanism

- 1) All complaints will be treated fairly and in an unbiased manner such that customers' rights are safeguarded.
- 2) Customers should have ease of use in registering their grievances and multiple channels shall be available to register the same.
- 3) The employees will work in good faith and without prejudice to the interest of the customers.
- 4) Timelines related to resolution of grievances shall be rigorously followed.
- 5) Monitoring of grievances received shall be done by the Board on a quarterly basis at least.

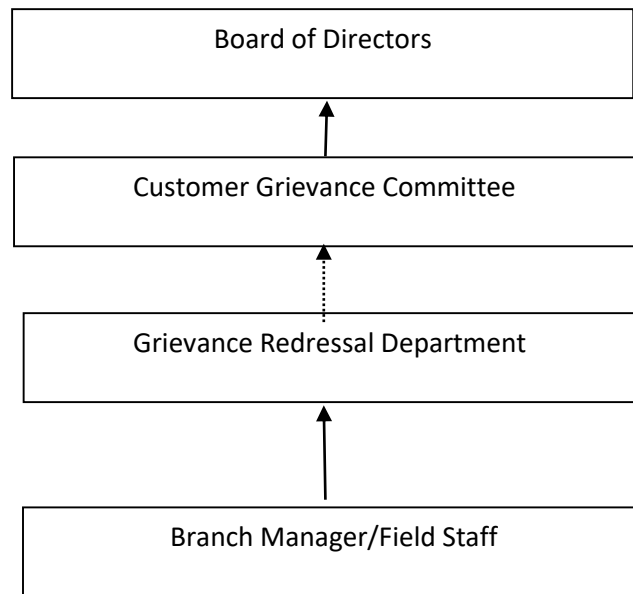
Definitions

- **“Customer”** is hereby defined as “Any person who has received any kind of service directly or indirectly from Sindhuja Microcredit” and falls under the active client/member category.

- **“Caller”** is hereby defined as “Any person who has tried to connect with toll-free number of Sindhuja Microcredit for any kind of query/service request/grievance, he/she may or may not be a Customer”.
- **“Company”** means Sindhuja Microcredit Private Limited.
- **“Board”** means the Board of Directors of the Company.
- **“Customer Grievance Committee”** here means the Committee which monitors all the queries/service requests/grievances received on monthly basis.
- **“Grievance”** means a representation in writing or through electronic means alleging a deficiency in service provided by the Company
- **“Grievance Department”** here refers to department or dedicated manpower set-up at the head office of the Company which ensures that all the queries/service request/customer grievances raised through any of the channels of Company are addressed suitably. The Department shall be responsible for monitoring, tracking and reporting of all grievances received from customers.
- **“Grievance Redressal Officer”** here refers to designated staff who can be approached for resolution of grievances by the Customers.

Governance Structure

Sindhuja Microcredit has devised a multi-layered customer grievance redressal mechanism. We have provided different channels to register their grievance and these grievances are monitored at various levels.



The Board of Directors

The Board shall monitor all the customer grievances on a quarterly basis. The Board shall assess and review the overall implementation and functioning of the customer grievance redressal mechanism.

Customer Grievance Committee

The Customer Grievance Committee shall be responsible for driving the implementation of the customer grievance redressal mechanism.

The Customer Grievance Committee shall meet at least once a month to review and monitor the functioning of the customer grievance redressal mechanism.

Details of Members of Committee are:

Sl.No.	CGC Members
1.	MD
2.	COO
3.	DVP-HR
4.	AVP-Audit & Risk

The quorum shall be 3 members with at least one amongst the MD or COO being present

Grievance Redressal Department

The Grievance Redressal Department shall oversee the implementation of the customer grievance handling mechanism for the entire Company.

The Department will keep track of all the customer grievances received through different channels. The Department shall ensure that resolution of the grievances is provided effectively within the defined turnaround time.

The department head shall be appointed and a Grievance Redressal Officer shall be appointed to ensure proper resolution of customer grievances.

Branch Manager or Branch Staff

Branch Manager is the first line of input for the Grievance Department. Customers visiting branches for any query/service request or grievance will interact with Branch Manager. Branch Manager will communicate grievance details to Grievance Department on immediate basis with complete details. In case client has some query then that shall be responded by him on immediate basis.

Categorization of Customer Grievance's

The customer grievances are categorised on the basis of the underlying reasons. The categories are:

Categories	Who Can Raise these	Descriptions
Queries	Customers & Non-customers	Enquiries by customers/ non-customers seeking loan, loan application related enquiries, loan account related enquiries by customers seeking details w.r.t terms and conditions, instalment date and venue, outstanding balance, contact details of branch or staff, procedure to take loan, interest rate and EMI details.
Service Request	Customers	Request from existing customer/members for the following services: <ul style="list-style-type: none"> • Request for changing time/venue of meeting. • Request for time for delay in loan repayment. • Death claim intimation • Request for foreclosure of loan. • Request to re-issue loan passbook. • Updating of KYCs or other loan related documents
Complaints	Customers/ Members	Call/request received from active customer/member will fall under complaint category if it is in context of following: <ul style="list-style-type: none"> • Excess interest rate charged from client. • Excessive charges levied from customer. • Delay in insurance claim settlement. • Unethical/coercive recovery practices. • Mis-selling or forced selling of third-party product. • Loan disbursed but money not transferred in account. • Loan documents not provided to client. • Receipts not given/loan card not updated after repayment. • Customer data not updated or incorrectly updated. • Cases of misuse of KYCs/ customer information/ receiving money from customers but not updating it in records etc. • Complaints related to duping of customers by external party on pretext of organization name.

Complaints are further categorised as per the below matrix:

Sl. No.	Type of Complaints	Descriptions	Examples
1	Interest Rates	<ul style="list-style-type: none"> • Incorrect/Incomplete disclosure. • Excessive interest rate being charged etc. 	<ul style="list-style-type: none"> • I was not told about the interest rate. • I was charged excessive interest rate.
2	Excessive Charges	<ul style="list-style-type: none"> • Commission demanded for loan sanctioning. • Penalty charges for late repayment. • Foreclosure or any other charges collected from Customer over and above the limits prescribed by RBI 	<ul style="list-style-type: none"> • Branch/staff is asking for commission for loan approval. • Penalty charge is collected for late repayment or due to late arrival of client at centre meeting. • Extra charges were charged from me to pre-close my loan. • Extra charges are charged for cashless collections.
3	Insurance claim settlement	<ul style="list-style-type: none"> • Claim submission issues. • Claim settlement delay etc 	<ul style="list-style-type: none"> • Documents for insurance not collected/accepted by staff/branch. • Documents are submitted, still we have not received the insurance amount.
4	Recovery practices	<ul style="list-style-type: none"> • Complaints against branch staff for not visiting centre at prescribed time/place. • Rude/unprofessional behaviour towards Customers. • Coercive recovery practices. • Centre Meeting not Conducted. Inconvenience caused while depositing money at branch. 	<ul style="list-style-type: none"> • Rude/unprofessional behaviour towards Customers by staff during centre meeting. • Centre meeting not conducted at designated place and time. • Branch locked for depositing the collection amount. • Coercive method used by field staff to recover the instalment. • Staff has not conducted meeting and told us to deposit the amount at branch. • Use of threatening or abusive language • Persistently calling the borrower and/ or calling the borrower before 9:00 a.m. and after 6:00 p.m. • Harassing relatives, friends, or co-workers of the borrower

Sl. No.	Type of Complaints	Descriptions	Examples
			<ul style="list-style-type: none"> • Publishing the name of borrowers for shaming • Use or threat of use of violence or other similar means to harm the borrower or borrower's family/assets/ reputation • Misleading the borrower about the extent of the debt or the consequences of non-repayment
5	Mis-selling or forced selling of third-party products	<ul style="list-style-type: none"> • Bundling product sell with loan • Product features not disclosed. • Terms and conditions attached to loan, complaint resolution mechanism etc. 	<ul style="list-style-type: none"> • Forced to take additional product with the loan • Proper information was not given about additional product. • No revert provided after submitting all the documents and KYC.
6	Digital transaction	<ul style="list-style-type: none"> • Loan sanctioned but money not transferred to account on same day. (In case client is not disbursed due to issues related to CB enquiry, bank rejection, Voter/Aadhar ID rejections then this will be considered as Query and not Complaint.) 	<ul style="list-style-type: none"> • Loan is disbursed but we have not received the loan amount in our bank account. • Client cannot withdraw loan amount from bank account due to inoperative account or other reason. • Incorrect bank account no.
7	Updating of repayment records	<ul style="list-style-type: none"> • Loan documents have not been provided to Customers. • Receipts have not been given/loan card have not been updated by staff etc 	<ul style="list-style-type: none"> • I have not received my loan passbook from the date of disbursement till date. • My loan passbook is not signed by staff after collecting instalment. • No acknowledgement of instalment collection was provided at centre.

Sl. No.	Type of Complaints	Descriptions	Examples
8	Updating/dispute of data in Credit Information report.	<ul style="list-style-type: none"> Customer data not updated or incorrectly updated with credit bureau by Sindhuja 	<ul style="list-style-type: none"> Customer name is wrongly reflected on the credit bureau I have closed my loan with your company, but it is displayed as active on credit bureau data. Instalment is paid but client is shown as arrear client as per CB data. I have paid my arrear amount for your organization, but it is still not reflected in CB data.
9	Fraud conducted by staff	<ul style="list-style-type: none"> Cases of misuse of KYCs/ customer information/ receiving money from customers but not updating it in records etc. 	<ul style="list-style-type: none"> Staff has misused my KYC details and/or personal details. Staff has received the instalment but not updated the same on loan passbook. Staff has taken money on personal basis from me/centre and has not returned the same.
10	Fraud conducted by external agencies.	<ul style="list-style-type: none"> Any external person is engaged in duping clients by using MFI name. 	<ul style="list-style-type: none"> Someone from your organization came on pretext of providing loan and has taken money from clients for loan sanctioning.
11	Others (Please specify the categories below)	<ul style="list-style-type: none"> Categories not covered above will be covered in others category. 	

Customer Grievance Redressal Mechanism

Channels

Customers shall be able to register their grievances/complaints with Sindhuja through the following modes/channels:

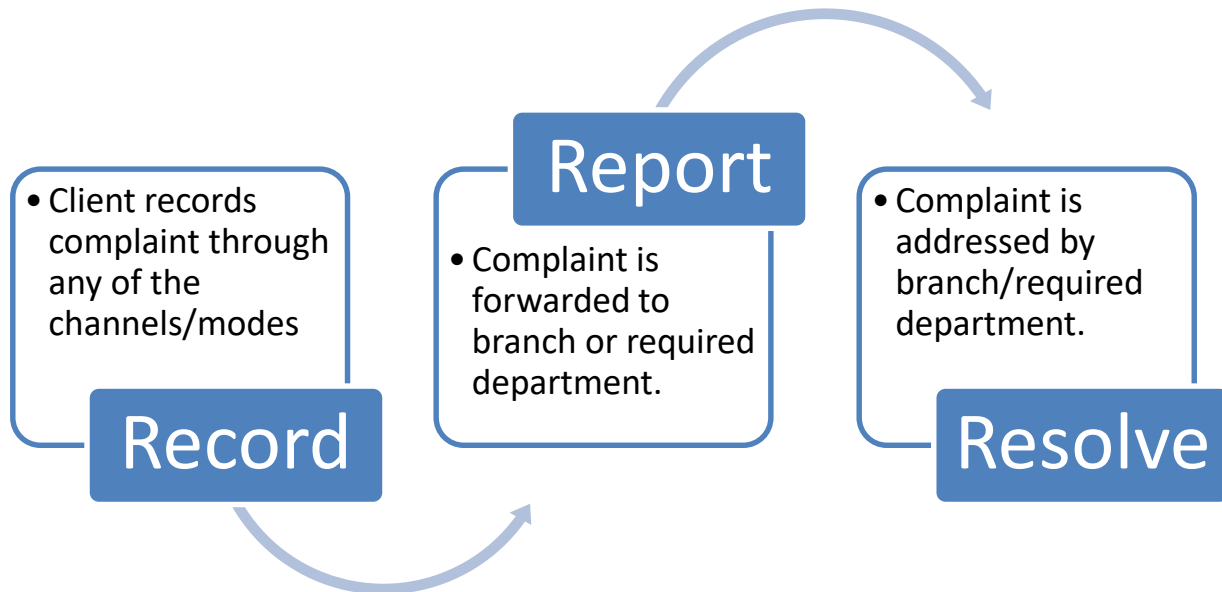
Sl. No.	Channel	Description	Availability
1	Branch	Written grievance can be dropped in Complaint Box kept at the branch and/or entered in the Complaint Register kept at the branch.	During branch opening hours on all working days
2	Dedicated Toll-free Telephone number	Customer or family member may directly contact on the toll-free number "18005728721" and register their grievance.	Between 10 am to 6 pm on all working days
3	E-mail or Letter	Customer or family member may write a letter with details of the grievance to following address: Grievance Redressal Officer Sindhuja Microcredit Private Limited Office No. 601 - 607, 6th Floor, Tower A, Noida One, Plot No. 8, Block B, Sector 62, Noida, Uttar Pradesh- 201301 Or e-mail at grievance@sindhujamicrocredit.com	NA

The above channels shall be well publicized so that customers are aware of their existence and able to use them with ease as and when required:

1. The details of the customer grievance mechanism channels shall be part of the Compulsory Group Training (CGT) provided to each group/center and briefing done at the time of disbursement
2. The details shall be available on the loan cards/passbooks, Company's website and on the branch notice boards.

Grievance Redressal Process

The grievance redressal process should cover all aspects of the grievance handling mechanism and ensure that any grievance raised is handled as per this policy. Below is the macro level process to be followed for grievance redressal:



All grievances received through any direct/indirect channels need to be recorded and tracked till successful resolution. The records of all grievances should be maintained for future reference.

Below are the key steps to be followed:

Sl. No	Activity	Responsible Person/Department
1	Recording of grievances.	Grievance Department
2	Designation of grievance category, TAT estimation and forwarding to respective department for resolution. The TAT may depend on the category of grievance. Respective department shall provide the resolution or provide the TAT for resolution. The TAT shall be reviewed and upon finalization shall be recorded by the Grievance Department and shall be tracked.	Grievance Department
4	Grievance resolution	Respective department
5	Closure of grievance based on resolution	As per the Closure Matrix

The Grievance Department may design a detailed process for based as per the above-mentioned macro level process guidelines which can be approved and reviewed by the CGM.

Turn-around-time (TAT) & Escalation Matrix

TAT is the turnaround time for any case, which needs to be provided by the concerned department over email within 3 days on receiving the case. In case the department does not respond, default TAT for resolution of grievance will be considered as 3 days and the escalation will be started to next level after 3 days.

The internal escalation matrix in the case of no response or delayed response from the concerned department is as following:

S.no	Responsible	Timeline
1	Grievance Receiver (Branch/ Tollfree/ Email/ Letter)	Day 0
2	Branch manager/Area manager/ Concerned department	Day 0
3	Divisional Head/Head of Department	Day 0 to Day 3
4	Regional manager/Head of Department	Day 4
5	Zonal manager/ Head of Department	Day 5
6	MD/COO	Day 7

Escalation process (when case is not resolved within specified TAT) is as following:

S.no	Responsible	Timeline
1	Grievance Receiver (Branch/ Tollfree/ Email/ Letter)	Day 0
2	Branch Manager/ Area Manager/ Concerned department	Day 0
3	Resolving Manager (as per TAT)/Divisional Head/ Concerned Department	Specified for the case
4	Regional Manager/ Head of Department	1 Day beyond TAT

5	Zonal Manager/ Head of Department	4 Days beyond TAT
6	COO/MD	7 Days beyond TAT

External Escalation Channels for Customers:

The following escalation channels are available to the customer in case the grievance remains unresolved after approaching Sindhuja through the above channels:

1	MFIN	<p>In case customer is not provided by solution within stipulated time, then client may approach MFIN and raise their complaint by calling at MFIN toll-free number. MFIN Toll-free Number: 1800 102 1080 Complaints received through this channel will be responded as per MFIN TAT.</p>
2	RBI	<p>In case customer is not satisfied with the response or fails to receive response within the stipulated time from the above levels then she may complain to officer in Charge of the Regional Office of Department of Non-Banking Supervision of the Reserve Bank of India under whose jurisdiction the registered office of Sindhuja falls:</p> <p>Deputy General Manager Reserve Bank of India Department of Non-Banking Supervision (DNBS) M.G Road, P.B No 82, Kanpur-208001 Tel: 0512-2305972/3831 Fax: 0512-2306246</p>

Any customer grievances/complaints or escalations forwarded by MFIN or RBI has to be responded to the customer and to MFIN/RBI on priority basis.

Severity of Grievance

All grievances raised through any mode are equally important but there are few grievances which may have high severity and criticality. Severity/criticality here is defined as loss to customer and/or to the Company. Therefore, below mentioned severity level have been defined for internal reference to enable effective addressing of the respective grievance (s)

Issue	Level 1	Level 2	Level 3	Level 4
Fraud Cases	Yes			
Recovery Practices	Yes			
Staff Misbehavior		Yes		
Service Delay			Yes	
Others				Yes

Level1: Staff integrity issues, revenue loss, staff or external fraud, excessive charges, Recovery related Grievances.

Level 2: Disciplinary Issues, misbehavior with client.

Level 3: Disbursement delay, loan application delay, center meeting delay, insurance claim settlement any other service requests

Level 4: Others such as co-ordination issues, meeting place issues, center issues etc.

These levels will be used by grievance department for sending communication across branches and to management.

Grievance Closure

Closure of grievances based on satisfactory response/resolution provided to the customer is an important activity and the culmination of the grievance handling process.

The following authorities are designated for effective and satisfactory closure of grievances received through any mode.

Closure Matrix:

Sl. No.	Type of Grievance	Closure Authority
1	Queries	Grievance Executive or above from Grievance Department
2	Service Requests	Grievance Executive or above from Grievance Department
3	Complaints	MD/COO (Level 1 and Level 2 Complaints) Grievance Redressal Officer (For rest of the Complaints)

The respective authority or designated staff should duly record the closure of the respective grievance basis the evidence provided/ascertained.

Reporting & Review Mechanism for Customer Grievances

Monthly: Data for client grievances will be prepared by Grievance Department and will be represented to Client Grievance Committee on a monthly basis.

Quarterly: Data for client grievances will be prepared by the Grievance Department and will be represented to Board of Directors on a quarterly basis.

Policy Review and Updates

This Board approved policy shall be reviewed as and when required or at least on an annual basis.