

Grievance Redressal Policy

Prayas Financial Services Pvt Ltd

Corporate Office:

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PRAYAS FINANCIAL SERVICES PVT LTD

Glossary of Terms

Term	Definition
Grievance Redressal Mechanism	A Grievance Redress Mechanism (GRM) is a formalized way to accept, assess, and resolve customer feedback or complaints. It should offer an accessible point for complaints to be received and a predictable process and timeline for customers to obtain a response.
Customer	Customer means a person who is engaged in financial transaction or activity with a regulated entity and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.
NBFC	A Non-Banking Financial Company (NBFC) is a financial institution in India that provides various banking services but does not hold a banking license. NBFCs are regulated by the Reserve Bank of India (RBI) under the Reserve Bank of India Act, 1934. They engage in activities such as loans and advances, asset financing, leasing, hire-purchase, and investment in securities.
MFI	A Microfinance Institution (MFI) is a type of financial institution that provides small loans and other financial services to individuals or groups who lack access to traditional banking services. MFIs primarily target low-income individuals, especially in rural and underserved areas, to promote financial inclusion and support entrepreneurship. They primarily focus on lending to the women who are small business owners.
Grievance Redressal Officer	Grievance Redressal Officers (“GRO”) shall be responsible for representing the company and furnishing information to the Board and GRC.
Grievance Redressal Committee	GRC would constitute lead of all the departmental heads (as per the requirement of the complaint).

List of Abbreviations

Abbreviation	Meaning
AM	Assistant Manager
BM	Branch Manager
BCM	Branch Credit Manager
BH	Business Head
CB	Credit Bureau
CEO	Chief Executive Officer
CGT	Compulsory Group Training
CST	Customer Service Team
DM	Deputy*/Divisional Manager
EMI	Equated Monthly Instalment
GRO	Grievance Redressal Officer
GRT	Group Recognition Test
KYC	Know Your Customer
MD	Managing Director
NBFC	Non-Banking Financial Company
PF SPL	Prayas Financial Services Private Limited
RBI	Reserve Bank of India
RO	Relationship Officer
SR	Service Request
SRO	Self Regulatory Organization

1. Introduction

Prayas Financial Services Pvt Ltd (PF SPL) is a private company registered with the Reserve Bank of India (RBI) as a Non-Banking Finance Company, specifically as NBFC – MFI, commencing its operations on February 6, 2020. It was established on March 3, 2017. PF SPL is dedicated to empowering financially underserved individuals by providing them with the means to attain self-sufficiency. PF SPL is a subsidiary of Ananya Finance for Inclusive Growth, a Private Limited Company set up in 2009 with registered and corporate offices at Ahmedabad. With a focus on serving rural areas and low-income communities in rural and semi urban settings, PF SPL endeavors to extend small loans and financial services to the economically weaker sections of society.

Headquartered in Gurugram, PF SPL has its registered office located in Adalaj, Gandhinagar, Gujarat. The organization operates with the objective of improving the socio-economic conditions of the marginalized population, enabling them to overcome financial challenges and improve their quality of life. By facilitating access to credit and other financial tools, PF SPL aims to foster entrepreneurship, encourage livelihood development, and promote sustainable economic growth among underserved communities.

2. Customer Grievance Redressal Mechanism

The Grievance Redressal Mechanism is a vital system designed to collect, address, and resolve customer questions, complaints, and queries. It serves as a bridge between the institution and its clients, ensuring that their voices are heard, and their concerns are addressed. By systematically analyzing client feedback, this mechanism helps improve products, services, and overall operations, leading to enhanced customer satisfaction.

An effective Grievance Redressal Mechanism is characterized by its ability to provide timely and accurate responses to clients, which builds trust and strengthens customer relationships. It also enables the institution to identify and address both individual issues and broader systemic problems, ensuring continuous improvement and operational excellence. Ultimately, a robust grievance redressal system not only resolves customer issues but also contributes to the institution's long-term success by fostering a customer-centric approach. Our motto for handling customer grievances is Record, Report & Resolve.

3. Objective

The company's Grievance Redressal policy has been crafted with the following objectives in mind:

- **Fair Treatment:** Ensure that all borrowers are always treated with fairness and respect.
- **Timely and Courteous Response:** Address complaints with courtesy and provide timely responses.
- **Unbiased Resolution:** Handle all complaints efficiently and impartially, without discrimination based on gender, ethnicity, caste, creed, or religion.
- **Clear Escalation Channels:** Keep borrowers fully informed about the available channels for escalating their complaints or grievances, both within the organization and to external bodies like Sa-Dhan and the RBI Nodal Officer.
- **Good Faith Efforts:** Commit to resolving issues with borrowers in good faith, prioritizing their interests without prejudice.

- **Satisfaction and Long-term Association:** Provide timely solutions to borrower issues, ensuring their satisfaction and fostering long-term relationships with them.
- **Comply with regulatory requirement:** To comply with regulatory requirement guidelines as required for this function.

4. Definitions

This policy is applicable to all types of customers who are currently engaged with the company (existing), those who were previously engaged but are no longer active and those who may be interested in future engagement (potential). Below are detailed explanations of key terms used in this policy:

4.1. Complaints: Complaints are formal expressions of dissatisfaction or concern from customers regarding any aspect of the company's products, services, or interactions with staff. A complaint may arise due to various issues, such as:

- **Delay in Loan Processing:** When a customer experiences an undue delay in the approval or disbursement of their loan.
- **Rejection of Loan Application:** When a customer's loan application is denied, leading to dissatisfaction.
- **Delay in Insurance Claims:** When there is a significant delay in processing or settling an insurance claim.
- **Non-payment by Group Members:** Cases where group lending is involved, a customer might complain about other members of their group not making timely payments.
- **Group Issues:** Any conflict or issue within a group that affects the customer's experience.
- **Staff Misbehavior:** Instances where customers experience rude, unprofessional, or inappropriate behavior from the company's staff.
- **Misappropriation of Funds:** When there are concerns or accusations that company funds are being misused.
- **Unauthorized Activities:** Any activity carried out by the company or its staff that is not authorized and may harm the customer or violate company policies.
- **Serious Issues:** Any other significant problem that a customer feels needs to be addressed by the company as a grievance.

4.2. Query: A query is a request for information from a customer. This occurs when customers seek to clarify or obtain details about various aspects of the company's offerings, such as:

- **Loan Information:** Inquiries about loan amounts, terms, or conditions.
- **Interest Amount:** Questions regarding the interest rate applicable to their loan or the total interest payable.
- **EMI (Equated Monthly Installment):** Requests for details about the amount and schedule of their EMI payments.
- **KYC (Know Your Customer) Details:** Questions related to the documentation required for identity verification.
- **Insurance Claims:** Inquiries about how to file a claim or the status of an existing insurance claim.
- **Disbursement:** Questions regarding when and how loan amounts will be credited to their accounts.

- **Bank Account Credits:** Inquiries about when funds will be deposited into their bank account.
- **Other Products:** Questions related to any other products or services offered by the company.

4.3. Information: Information refers to the communication initiated by customers to provide the company with specific updates or notifications. This could include:

- **Change of Venue for Center Meetings:** Notifying the company about a change in the location of regular group meetings.
- **Readiness with KYC Documents:** Informing the company that all required documents for verification are prepared and available.
- **Death of a Client/Spouse:** Reporting the death of a borrower or their spouse, which might affect loan repayment or insurance claims.

4.4. Resolution: Resolution is the formal process by which the company addresses and resolves a complaint or grievance raised by a customer. This process involves:

- **Investigating the Complaint:** Thoroughly examining the issue to understand its root cause.
- **Providing a Solution:** Offering a suitable remedy or corrective action to resolve the customer's concern.
- **Communicating the Outcome:** Informing the customer of the resolution and any steps taken to prevent similar issues in the future.

This policy is applicable to all types of customers who are currently engaged with the company. To ensure transparency and accessibility, this policy must be prominently displayed on the noticeboards at every branch, regional office, and head office. This visibility ensures that all customers are aware of their rights and the processes in place to address their concerns.

5. Grievance Redressal Committee (GRC):

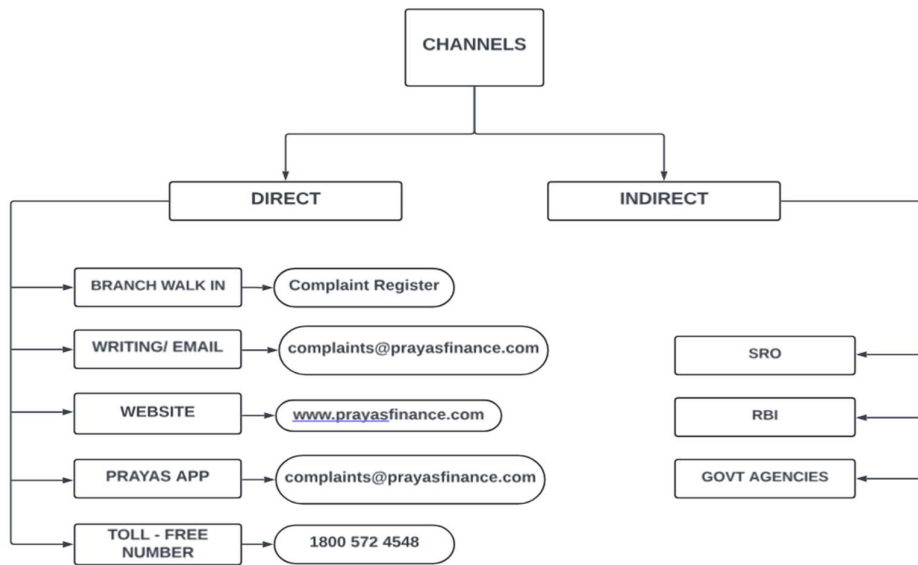
The Grievance Redressal Committee (GRC) is a dedicated team within PF SPL composed of representatives from various departments. This committee is responsible for ensuring that complaints and grievances are resolved efficiently and effectively. The GRC's role is crucial for:

- **Speedy Resolution:** Ensuring that grievances are addressed and resolved promptly.
- **Better Coordination:** Facilitating communication and collaboration between different departments to resolve issues that may span multiple areas of the company.
- **Frequency:** The GRC will be organized minimum monthly or as needed. The chairperson will rotate, and meeting minutes will be published within one week. Meetings will begin with a review of the previous minutes and any pending action items.
- **Constituents of GRC:** Following departmental leads would remain part of GRC:
 - Company Secretary
 - Human Resource
 - Audit
 - Business
 - Product
 - Credit
 - Customer Service

- Required Department Head
- MD & CEO will be permanent invitee

6. Channels

By offering multiple channels, PFSP ensures that every customer, regardless of their preferred method of communication, has a clear and accessible way to report their grievances. This comprehensive approach helps maintain customer trust and ensures that all issues are addressed efficiently and transparently. PFSP has established the following methods to address customer grievances and complaints:



6.1. Direct Channels for Reporting Complaints

- **Toll-Free Number:** PFSP provides a dedicated **toll-free number: 1800-572-4548**, for customers to contact the Customer Service Department. Customers can use this number to ask questions, seek information, or register complaints. This service ensures that customers can easily reach out for assistance without incurring any cost.
- **Branch Walk-In:** Customers can visit any PFSP branch in person to register their queries or complaints. To efficiently manage these, a Service Request module is implemented at all branches. When a complaint is received at the branch, the branch staff will record it the service request module and branch complaint registers.
- **Email/Website:** Customers also have the option to send their complaints via email or through the company's website. Complaints can be submitted in writing to the designated email address, **complaints@prayasfinance.com/www.prayasfinance.com**. This digital channel provides a convenient way for customers to communicate their concerns and ensures that all written complaints are documented and addressed promptly.
- **Prayas App:** Customer can send their grievance by writing to us through prayas app enabled for all
- **Letters to Head Office:** Customers can send their complaints in writing by mailing a letter directly to the Head Office. It is important that these letters are specifically addressed to

the Grievance Redressal Officer to ensure they are directed to the appropriate department for resolution. The Head Office address is as follows:

Unit No. 806-808, 8th Floor, Tower A
Emaar Digital Greens, Sec-61
Gurugram 122102, Haryana

6.2. Indirect Channels for Reporting Complaints

- Regulatory Authorities:** In some cases, customers may choose to report their grievances directly to external regulatory authorities, such as the Self-Regulatory Organization (SRO) through its toll-free number, the Reserve Bank of India's (RBI) nodal office or through Government Agencies. If a customer first reaches out to these regulatory bodies, the complaint may then be forwarded to PFSPL for resolution. This channel ensures that customers have alternative ways to raise their concerns if they feel the need to escalate their issues beyond the company's internal processes.

7. Categorization of Queries & Complaints

Below is a matrix categorizing queries and complaints based on their priority levels. This matrix categorizes the different types of customer interactions into two main groups: queries and complaints. Each type of interaction is assigned a priority level (Low, Medium, High) based on the urgency and potential impact on the customer and the company.

- Queries** typically involve requests for information or clarifications. Most queries are classified as Low or Medium priority, indicating that they are important but not urgent. For example, inquiries about branch addresses, loan installment schedules, or product details are considered Low priority. Requests for concessions or feedback might be medium priority as they require more attention but are not critical issues.
- Complaints** are concerns or problems that customers have experienced, and they generally require more immediate attention. Most complaints are classified as High priority, reflecting the need for swift resolution to prevent customer dissatisfaction or further issues. Examples include complaints about advance collection, agent involvement, misappropriation of funds, commission, insurance claims, and staff misbehavior. These issues could significantly affect the customer experience and the company's reputation, so they must be addressed promptly.

This matrix helps in determining the urgency and importance of each issue, ensuring that higher-priority complaints receive prompt attention.

Matrix-1

Type of Queries	Priority
Branch Address Related	Low
New Loan/Next Cycle Loan	Low

Matrix-II

Type of Grievances	Priority
Advance Collection	High
Agent Involvement	High

Loan Installment	Medium	Bribe Demanded	High
Loan Closure Information	Low	Credit Bureau Related Issues	Medium
Application Disbursal Status	High	EMI Not Updated	High
Product Information	Low	Funds Not Received in Bank Account	High
Request for Concession	Medium	Insurance-Related Claims and Settlements	High
Staff Contact Information	Low	Loan Not Provided	High
Cancellation of Customer's Loan	Medium	Loan Pipe-lining Issue	High
Feedback	High	Non-Receipt of NOC	Medium
Rate of Interest	Medium	Related to Rate of Interest	High
SMS	Medium	SMS Not Received	Medium
		Staff Financial Mischief	High
		Staff Misbehavior	High

By using this matrix, PF SPL can effectively prioritize and manage customer interactions, ensuring that urgent complaints are handled swiftly while still addressing all queries in a timely manner.

8. Customer Service Team Responsibilities and Procedures

The Customer Service Team at PF SPL plays a critical role in managing and resolving customer grievances and queries. Here's how the process is structured and managed:

8.1. Service Request Dashboard: The Customer Service Team will enter details of the request received via email or Toll-free number in Service request module. CST will also be responsible to manage tickets raised via branch team. CST needs to mandatorily maintain following details for each request:

- **Details of the Query/Complaint:** A thorough description of the issue raised by the customer.
- **Escalation Details:** Information on whether the issue was escalated within the organization and the steps taken to resolve it.
- **Action Taken:** The specific actions implemented to address and resolve the grievance.

The status of each case is continuously updated in the log under two categories:

- **Resolved:** These are cases that have been successfully resolved by providing the customer with the necessary information.
- **Open:** These are ongoing cases that are still under review or require further action.

8.2. TAT (Turnaround Time) for Resolution: PFSP is committed to addressing customer concerns within a specified time frame:

- **Queries:** Resolved within a TAT of 10 working days.
- **Complaints:** Addressed within a TAT of 30 working days from the date of receipts.

Disclaimer: Some complaints may be more complex and require additional time beyond the 30-day period. In such cases, the Company will inform the customer of the delay and provide the reasons for it within the specified timeline. The Company will also provide an estimated time frame for resolving the complaint. However, every effort will be made to address the complaint within the original time frame.

8.3. Escalation Process: PFSP has a well-defined escalation process to ensure that unresolved issues are addressed at higher levels within the organization and, if necessary, through regulatory authorities. This ensures that all customer grievances are handled with the appropriate level of attention.

- **Internal Escalation within the Organization:**

Escalation	Designation	Time Frame	Detail
1st Level	Branch/ Customer service team	10 working days	Contact details are displayed at Branch level
2nd Level	Grievance Redressal Officer	10 working days	Name: Mr. Amit Tikku Contact Number: Email: Complaint@Prayasfinance.com Head Office Address: Unit No 806 -808 8th floor, Tower – A, Emaar digital greens Sec -61 Gurugram 122102 Haryana
3rd Level	Grievance Redressal Committee	10 working days	<ul style="list-style-type: none"> ● Company Secretary ● Human Resource ● Audit ● Business ● Product ● Credit ● Customer Service ● Required Department Head MD & CEO will be permanent invitee

- **Escalation to Regulatory Authorities:** If a customer feels that their grievance has not been adequately addressed within the organization, they have the option to escalate the issue to external regulatory authorities:

Escalation	Designation	Details
1 st Level	Sa-Dhan (SRO)	GRO: Mr. Ardhendu Nandu Contact: 011-47174018 Email: nandi@sa-dhan.org
2 nd Level	Reserve Bank of India	Contact No.: 079 -27540943/27540093 Fax No.: 079 -27541642 Email: rdahmedabad@rbi.org.in Address: Near Gandhi Bridge, Income Tax Circle, Ashram Road, Ahmedabad 380014 Gujarat

- **Complaint Management System:** RBI had launched its Complaint Management System (“CSM”) on June 24, 2019. It is a software application to facilitate RBI’s grievance redressal processes. Members of public can access the CMS portal at RBI’s website to lodge their complaints against any of the entities regulated by RBI. RBI CMS Portal link: <https://cms.rbi.org.in/cms/>

8.4. Reporting Mechanism:

- **Bi-Weekly Reporting:** The Customer Service Team prepares and submits a summary of the control sheet, which includes updates on all cases (both open and closed), to the Grievance Redressal Officer every two weeks. This regular reporting ensures that any ongoing issues are closely monitored and that escalation processes are followed as needed.
- **Monthly Reporting:** At the end of each month, the Customer Service Team compiles a comprehensive report analysing the number, origin, and types of queries and complaints received. This report will be shared with the GRC.
- **Board Reporting:** A summarized version of the monthly report is presented during the board meetings. This allows the board members to review the company’s grievance redressal practices and provide guidance on improving customer service. This process helps PFSP to remain customer-centric, ensuring that the management is aware of customer concerns and actively works to address them.

This section outlines the structure and processes in place for managing customer queries and complaints at PFSP. Team needs to refer Annexure - B to refer the format to maintain the complaint record. The Customer Service Team is responsible for logging all interactions, ensuring that each issue is tracked, escalated if necessary, and resolved within a specified timeframe (TAT). The Escalation Process provides a clear pathway for unresolved issues to be addressed at higher levels within the organization or by external authorities if needed. The Reporting Mechanism ensures that the company’s leadership is regularly informed about customer grievances, allowing for continuous improvement in service delivery. This comprehensive approach helps PFSP maintain high standards of customer service and responsiveness.

9. Communication of the Policy and Process to Customers

To ensure that all customers are informed about the grievance redressal mechanisms and their rights, PFSPL will communicate the policy and process through various channels:

9.1. Loan Card: The loan card will provide details about the available complaint mechanisms, ensuring that all members have easy access to this information.

9.2. Loan documents: The complaint mechanisms will be included in loan application forms, agreements, and sanction letters to make customers aware of their rights and the process from the outset.

9.3. Loan Sourcing Activities: During loan sourcing activities such as center training, group recognition tests, and personal discussions, customers will be informed about their right to file a complaint. The process for registering complaints will be explained in detail.

9.4. Branch and Field Staff: Branch Managers, Division Managers, Area Sales Managers, and Audit & Monitoring teams will inform customers about their right to complain and explain the available options during their visits.

9.5. Branch Posters and Website: Posters detailing the complaints mechanism will be prominently displayed at branch locations and on the company website, providing customers with clear and accessible information.

9.6. Training Sessions: During their visits to centers, supervisors will conduct training and raise awareness about the grievance policy, ensuring that customers are aware of how to use the complaint mechanisms.

Training to the field officers shall be conducted annually and at the time of their joining

9.7. SMS Notifications: Customers will receive SMS notifications regarding the registration and resolution of their complaints, providing updates directly to their registered mobile numbers.

10. Other Guidelines

10.1. Documentation: All complaints, queries, and grievances must be documented using the format specified in Annexure - B to ensure consistency and thorough record-keeping.

10.2. Reporting: The Grievance Redressal Officer is responsible for sharing a detailed complaint analysis report with the Management in the monthly report and with the Board of Directors during Board Meetings.

10.3. Corrective Actions: Based on the analysis of queries, complaints, and grievances, necessary corrective actions in products and processes will be implemented. These actions will be approved by the Directors and presented to the Board of Directors in subsequent meetings.

10.4. Penalties for Non-Compliance: Penalties for non-adherence to the Grievance Redressal policies and procedures will be imposed as per the disciplinary procedures outlined in the HR manual.

Annexure - A

Roles and Responsibilities of key Stakeholders:

Position	Roles and Responsibilities
Branch Supervisor	<ul style="list-style-type: none"> - Record client complaints received through calls, letters, and walk-ins in the SR module and Branch Complaint Register. - Ensure complaints are resolved within the defined turnaround time. - Escalate unresolved complaints according to the escalation matrix. - Submit a detailed report of all complaints received to the Area Manager by the 5th of the following month. - Keep the Branch Complaint Register updated.
Customer Service Team	<ul style="list-style-type: none"> - Monitor client complaints received at branches via the complaint register. - Ensure complaints are resolved within the defined turnaround time. - Escalate unresolved complaints according to the escalation matrix. - Provide a comprehensive report of all complaints received to the GRO by the 10th of the following month using the Grievance Redressal Tracker.
Grievance Redressal Officer (GRO)	<ul style="list-style-type: none"> - Record and resolve complaints received directly from customers or those escalated from branches. - Share complaints with the respective departments for resolution. - Ensure complaints are addressed within the defined turnaround time. - Escalate unresolved complaints as per the escalation matrix. - Submit a consolidated tracker of complaints to the GRC by the 15th of each month.
Grievance Redressal Committee	<ul style="list-style-type: none"> - Review complaints received from customer of the company - Discuss the measure which can be instituted to reduce the number of complaints - recommendation on formulation and modification in Grievance Redressal Policy to the Board for its approval
Managing Director (MD)	<ul style="list-style-type: none"> - Review complaints received through any channel as needed. - Assess the complaint tracker of received and resolved issues shared by the GRO. - Inform the Grievance Redressal Officer about any additional complaints for its recording and reporting.

Annexure - B

Complaint Record Format:

Complaint No.	Date of Complaint received	Details of Complaints received (Please give details of the complaints)					Detail Action	Action on Employee	Present status of the complaint	Closure Date	TAT
		Client Name (Customer ID)	Branch	Staff Involved	Complaint Related To	Complaint					

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