



Customer Grievance Redressal Mechanism

Svasti Microfinance Pvt Ltd (Svasti)

Document Control Section

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Abstract	Customer Grievance Redressal Mechanism (CGRM) documents the principles and processes followed by Svasti to provide customers access to appropriate channels to air their complaints and get them resolved. This policy document also provides information about the escalation process and reporting to Board.		

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Customer Grievance Redressal Mechanism

1. Preamble

Svasti has put in place a robust grievance redressal mechanism for customers. One of the key tenets of quality customer service is providing opportunities for customers to raise grievances and seek a satisfactory resolution. Additionally, the regulations (and self-regulations) for the microfinance institutions require institutions to have this mechanism in place. The industry code of conduct of MFIN and Sa-dhan and the Reserve Bank of India (RBI) vide its direction for- Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 has directed all NBFCs to have a Grievance Redressal System in place. This Policy is updated to align with the fourth edition of Code of Conduct released in October 2022.

2. Policy Objectives

- To provide Svasti's customers convenient and effective channels to raise complaints with respect to process, services or any queries.
- To take timely and appropriate action on customer grievances.
- To maintain a database of customer complaints and use the data to make decisions on products, services and improving overall quality of customer service
- To provide timely reports to SROs about the complaints and resolution provided.

3. Scope and Applicability

This policy shall apply to all customers of Svasti irrespective of the products they availed (including group loans, individual loans, hospital cash insurance, credit life insurance etc).

4. Definitions

- Board:** Board means the Board of Directors of Svasti.
- Caller or a complainant:** Anyone who is currently a member of an active group or any exit customer, spouse or immediate family of the client can make the call to complain.
- Customer:** Any person who has availed of any product or service with Svasti.
- Grievance:** A formal complaint raised either in writing or through electronic mode over something believed to be wrong or unfair or alleging deficiency in the product or service provided or a service request or a query or request for information on the products or services of the company.
- Grievance Redressal Officer:** As per the MFIN code of conduct and RBI fair practices code the VP Audit is designated as the Grievance Redressal Officer (GRO), who is responsible for grievance redressal. GRO can designate to someone to receive calls on a day-to-day basis.
- IIC (Interdepartmental Investigations Committee):** This is a high-level committee constituted of 'CEO' and 'CFO & CIO' along with VP Audit to investigate the complaints forwarded to them as part of the grievance process.
- Resolution:** A formal statement of decision or opinion provided in response to the query, service request or complaint raised by customers.
- Turnaround Time (TAT):** The number of days taken to resolve and communicate the decision to customers or complainants.

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5. Process Design

5.1. Principles

Svasti's grievance redressal process is designed with the following principles:

A. Customer's perspective:

1. **Easy to use:** It should be easy and convenient for the customer to communicate her problem to Svasti
2. **Transparency:** The process of how a grievance is being resolved should be clear to all concerned parties
3. **Timeliness:** Once a grievance is registered, that should be communicated to the customer within a bounded time period. No complaint should be left open indefinitely.
4. **Quality of solution:** The solution provided by Svasti should be appropriate, practical and relevant

B. Company's perspective:

1. **Fairness:** Svasti applies the principal of fairness while receiving and recording complaints and it acknowledges the right of customers to air their grievances without the fear of retribution or impact for their loans
2. **Use complaints data for actionable insights:** Svasti records all the calls or complaints received, track them till resolution and use the information for improving products and services

5.2. Implications for Process design

Design Principle	Implementation guideline
Ease of use	● Customer should have at least one central point to raise the complaints which they are not comfortable raising directly with the branch staff ● Customer should not need to follow up to get resolution on her complaint.
Transparent	● At any point in time, customer or CGR committee should be able to get details of what stage of resolution the complaint is at. ● There should be clarity on who will be assigned a complaint, what is the expected time to close the issue, and the levels of escalation and follow up.
Timeliness	● No complaint will be left open for more than two months, with at least 90% of the complaints getting resolved within one month. ● There will be a clear set of timelines for resolving complaints, depending on the type of complaint. ● When a customer is given a date by which his complaint will be resolved, all efforts should be made to see that the date is honored. If the complaint resolution is taking longer than expected, the customer should be informed.
Quality of service	● Regular checks will be done with customers whose complaints have been resolved, to see if they are happy with the resolution provided by Svasti to their complaint. Monitor customer satisfaction with the grievance process.
Fairness	● All complaints and calls should be recorded even if there is no action possible on them. Complaints from external sources such as MFIN, Sa-dhan or complaints received by the RBI shall all be recorded along with the complaints received on Svasti's channels. ● Customers shall be informed of their right to complaint without any fear of retribution. ● All complaints shall be treated fairly and shall be resolved within reasonable time.
Use complaints data for actionable	● There should be mechanisms to collect information for any serious allegation that is leveled against a specific branch or staff. As such the complaints shall be

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Design Principle	Implementation guideline
insights	categorized into severe and non-severe and severe complaints are escalated immediately to senior management.

6. Categorization of Calls or Grievances

Svasti follows the categorization suggested by MFIN. All the calls or grievances received should be categorized first into the following broad categories. These categories are based on the underlying reason.

Category	Description
Queries	Enquiries by customers or non-customers seeking loan, loan application related enquiries, loan account related enquiries. It could also be raised by customers seeking details with respect to terms and conditions, installment date and venue, outstanding balance, contact details of branch or staff etc. Covers calls to enquire about Svasti's rules and procedures for loan approval, loan eligibility conditions or the outcome of the loan approval process.
Service requests	Requests by existing customers to provide/update KYCs or loan related documents, requests for changing time/venue of collection meetings, foreclosure requests, seeking time for delayed payments due to exigencies, death claim intimation etc.
Complaints or Grievances	Calls or requests or information from the existing customers or their family members pertaining to any of the following issues (in the next table) should be categorized as complaints. Any calls or texts or emails forwarded or shared by the SROs (MFIN or Sa-dhan) and RBI which were received by them against Svasti should also be recorded in this category.

The complaints or grievances are further categorized into the following sub-categories:

Complaint Sub-Category	Description	Examples
Interest rates	Incomplete disclosure, excessive interest rates being charged etc.	
Excessive charges	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	- Charges collected for providing big ticket size loans etc. - Group leader wants money for getting us the loan - CRM taken prepayment amount from customer's house
Insurance claim settlement	Claim submission issues or claim settlement delays etc.	- No explanation about insurance settlement process - Supportive documents were not collected by the concern staff - Customer was unaware about the documents submission

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Complaint Sub-Category	Description	Examples
Recovery practices	Complaints against field/branch staff/recovery agents for not visiting center at prescribed time/place, rude/ unprofessional behaviour towards Customers, coercive recovery practices etc	- The CRM was rude to me - Svasti staff are very impatient and rude - Arrives late for the scheduled meeting - Branch staff sent collectors to my house - CRM taken prepayment amount from my house
Mis-selling or forced selling of third party products	Bundling product sell with loan, not disclosing product features, terms and conditions attached to loan, complaint resolution mechanism etc	- Not given proper training - No reverts after submitting KYC - Forced to take EF product
Digital transactions	Loan sanctioned but money not transferred to account on same day, cash card related issues etc.	- Amount disbursed but not transferred to customer's bank account - Incorrect bank account number - Banks refuses to withdraw the loan amount due to incomplete KYC, inoperative account etc. - No confirmation message after payment of BPS activities
Updation of repayment records	Loan documents not provided to Customers, receipts not given/loan cards not updated by staff etc.	- Staff didn't sign on the loan card. - No acknowledgement of collection installment
Updation/dispute on data in Credit Information Report (CIR)	Customer data not updated/wrongly updated with credit information bureau by the MFI	- Name disparity. - Loan closed but not updated in CB report. - Loan with Svasti is closed but it is still active on CB dashboard
Fraud conducted by staff	MFI staff has been reported to be involved in any fraud.	- Misuse of KYCs/ customer information/ receiving money from customers but not updating it in records etc. - Personal financial transactions
Fraud Conducted by external agencies	Customer has been duped by an external agency using the name of the MFI	
Others (Please specify the categories)	Other complaints received	The CRM came and shouted at me for registering a complaint No response / update on claims My group is having a problem with the collection center leader

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Complaint Sub-Category	Description	Examples
		Complaints that are not covered by the above categories like collection on non-Svasti holidays and friction within the group

In addition to the above categories and sub-categories, the complaints are tagged as severe and non-severe, with severe cases taking precedence in resolution and will be reported and resolved through the IIC. Examples of severe cases / calls / complaints are: fraud committed by staff, staff misbehavior with customers, recovery practices, excessive charges, and fraud conducted by external agencies.

7. The Mechanism

7.1.Channels available for customers

Svasti makes available the following channels for customers to register their complaints or queries or service requests.

1. **Walk-in to the branch:** During branch opening hours, customers can walk into the branch and register a complaint with the assistant branch manager who is available at the branch.
2. **Dedicated, centralized helpline number:** Customers or their family members can reach out to the dedicated helpline number “9769616817” between 10 am to 5:30 pm on working days.
3. **Email and Letter:** Customers or their family members can send an email to info@svasti.in or a letter to Svasti’s Corporate Office address -

Grievance Redressal Officer
Svasti Microfinance Pvt Ltd
Office No. 307, 3rd Floor, Flying Colours
Pandit Dindayal Upadhyay Marg, L.B.S. Cross Road
Mulund (West), Mumbai 400 080
Maharashtra, India

7.2.Turnaround Time

The maximum turnaround time (TAT) for resolution of complaints received directly by Svasti is 30 days (from the date of receipt of the complaint/call/letter). The maximum TAT for resolution of complaints received indirectly via SROs (MFIN and Sa-dhan) and RBI is 15 days.

If there is no response to complaints within 7 days of customers lodging a complaint or if customers are not satisfied with the resolution provided, they can follow the below mentioned escalation matrix.

7.3.Escalation Matrix

Escalation Level	Description	Contact Information
First level	If the branch does not provide a resolution or respond within 7 days, contact the customer helpline number provided	Helpline number: 9769616817
Second level	If there is no response or resolution within 15 days of	GRO - Hemlata Dhumal Phone: +91 90044 94973

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	calling the telephone number, contact the GRO number provided	Email: hemlata.dhumal@svasti.in
Third level	If there is no response or resolution within the stipulated time from Svasti, contact MFIN's grievance redressal number provided	MFIN toll free number – 1800 102 1080
Fourth level	If there is no response or resolution within the stipulated time from the above levels, contact RBI's officer in-charge of the Department of Non-Banking Supervision under whose jurisdiction the registered office of Svasti falls under	Contact details of DNBS, Regional RBI Office: Chief General Manager – in-Charge Department of Non-Banking Supervision Fort Glacis, 16, Rajaji Salai, P.B. No.40, Chennai- 600001. Tel: 044-2536 1490/ 2539 9222. Fax: 044 2539 3797.

8. Grievance Resolution Process

All the calls or complaints received from all the channels (branches, centralized helpline number and emails or letters) are recorded in electronic format to enable analysis, reporting and resolution process. The complaints received at the branches by ABM are recorded in the Svasti Home Application (SHA) which is linked to PowerBI dashboards used by Business team, the calls received on dedicated helpline number are recorded in a spreadsheet template and complaints received by letters are also captured in the same spreadsheet. All calls / cases / complaints are collated into one document and categorized as per section 6 above.

All queries and service requests are generally addressed the same day by providing the necessary information or clarification to the customer or the caller. All complaints are tagged and shared with respective departments for early resolution within the stipulated time.

Once a resolution or response is provided by the respective department, the same is communicated to the customer by calling them and the case is closed. All these details are recorded in the spreadsheet template where the complaints are captured.

All the data is analyzed every quarter and the following reports are prepared and presented to the Board Social Performance Management Committee.

- Total number of cases, calls, complaints received
- Types of calls (queries, service requests or complaints) and trends over the last few quarters
- Categories of complaints: product-wise – loans, insurance or third party; severe vs non-severe; sub category or issues-wise
- Number and percentage of complaints resolved
- Top 3 branches which have received highest number of complaints

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Once every week, the Ops team calls a sample of customers from the complaints records and asks if their complaint was resolved and if or not they are happy with the resolution provided. This is noted in the complaints record in the spreadsheet.

Every quarter, MFIN sends an email request for the CGRM report to be filled and sent to them. This includes a comprehensive list of all calls that were received categorized according to request type and the status of resolution.

9. Communication to staff

All the new staff are trained on customer grievance redressal mechanism as a part of their induction training program. All the existing staff receive information about the mechanism as part of their refresher training, branch or unit level review meetings, circulars and direct communication from the Ops department which is responsible for the mechanism. In addition to the information about the mechanism, the staff are also sensitized about the importance of the grievance redressal mechanism, soft skills required to listen to customers, receive and resolve the complaints and handling difficult customers.

10. Communication to customers

The CGRM is communicated to all the customers during various processes and by including the details in various loan documentation and communication material. The right to complain and the channels available are communicated as part of the following processes:

- Origination
- Training meeting and residence verification
- Disbursements

The helpline number is printed in acknowledgement receipt given during origination process, in the loan sanction letter and in the loan card.

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