



POLICY & PROCEDURE(S)
For
Grievances Redressal through Ombudsman

This policy document is a purely internal document and is confidential. This policy is framed for the purposes of SHARE Microfin Limited **as an Addendum to the Grievance Redressal policy of the Company**. It shall not be reproduced in any form by any means without written permission from the Company.

INTRODUCTION

The Reserve Bank of India vide its circular Ref. CEPD. PRS. No.4535/13.01.004/2018-19 dated April 26, 2019 has brought all the Non Banking Finance Companies (NBFCs) with asset size of more than ₹100.00 crore into the ambit of the NBFC Ombudsman system. The purpose of this scheme is to promote conducive credit culture among the Non Banking Financial Companies (NBFCs) and to regulate the credit system of the country to its advantage,

As such, the Company is required to comply with the provisions of the Ombudsman Scheme effect w.e.f. April 26, 2019

MAJOR POINTS OF THE SCHEME

If any grievance is not resolved within 48 hours at the Grievance Redressal cell (or) the Grievance Compliance officer, the client may approach to the Company's Nodal Officer for resolution of grievance within 30 days.

If such grievance is not resolved within 30 days; then the Client may escalate such grievance to Reserve Bank of India (RBI) established NBFC Ombudsman mechanism by submitting the Grievance Application to the Ombudsman in the format annexed below as (Annexure II – NBFC Ombudsman, RBI) given in the RBI NBFC Ombudsman notification. The complaint to the NBFC Ombudsman shall be given only by the client and not by any of the third party on behalf of the client (Or) any guardian or representative or agent etc.

The complaint may be given in either the manual mode or electronic mode as per the convenience of the client. If the complaint given in writing, shall be duly signed by the complainant or his/her authorised representative. Before making a complaint to the Ombudsman, the complainant should have a written representation to the company and the company had rejected the complaint or the complainant had not received any reply within a period of one month after the company received his/her representation or the complainant is not satisfied with the reply given to him /her by the company.

After accepting the complaint, the Ombudsman cell will arrange for the conciliation meetings between the Client and the Company and if required, the Cell shall seek necessary information from the company to sort out address the issues.

OMBUDSMAN REGIONAL OFFICES OF RESERVE BANK OF INDIA

Apart from approaching the Regional Office of Reserve Bank of India at Hyderabad, the clients from respective regions shall approach the Reserve Bank of India's NBFC Ombudsman by calling their respective Ombudsman Regional Office toll-free numbers as given below:

Chennai Regional Office

All the clients from Southern states (i.e. clients from states of Tamil Nadu, Karnataka and Kerala) shall approach this Regional office Toll-free number for escalation of any grievances.

Toll-free Contact details of the Reserve Bank of India's Regional Office are:

Address: Reserve Bank of India, Fort Glacis, Chennai-01;
Contact number: Tel: 044 25395964, Fax: 25395488
Email Id: nbfcochennai@rbi.org.in

Mumbai Regional Office

All the clients from Western & Central region (i.e. clients from states of Maharashtra, Madhya Pradesh, Gujarat, Goa, and Chhattisgarh) shall approach this Regional office Toll-free number for escalation of any grievances.

Toll-free Contact details of the Reserve Bank of India's Regional Office are:

Address: Reserve Bank of India, BOB, Opp. Mumbai Central – 08
Contact Number: Tel -022 23028140, Fax - 23022024
Email ID: nbfcomumbai@rbi.org.in

Delhi Regional Office

All the clients from Northern Region (i.e. clients from the states of Delhi, Haryana, Uttarakhand, Uttar Pradesh, and Rajasthan) shall approach this Regional office Toll-free number for escalation of any grievances.

Address: Reserve Bank of India, SM, New Delhi – 01
Contact Number: Tel - 011 23724856, Fax -/ 23725218 & 19
Email ID: nbfconewdelhi@rbi.org.in

Kolkata Regional Office

All the clients from Eastern and North eastern states (i.e. clients from the states of Odisha, West Bengal, Assam, Jharkhand and Bihar) shall approach this Regional office Toll-free number for escalation of any grievances.

Address: Reserve Bank of India, NSR, Kolkata – 01
Contact Number: Tel - 033 22304982, Fax - 22305899
Email ID: nbfkokolkata@rbi.org.in

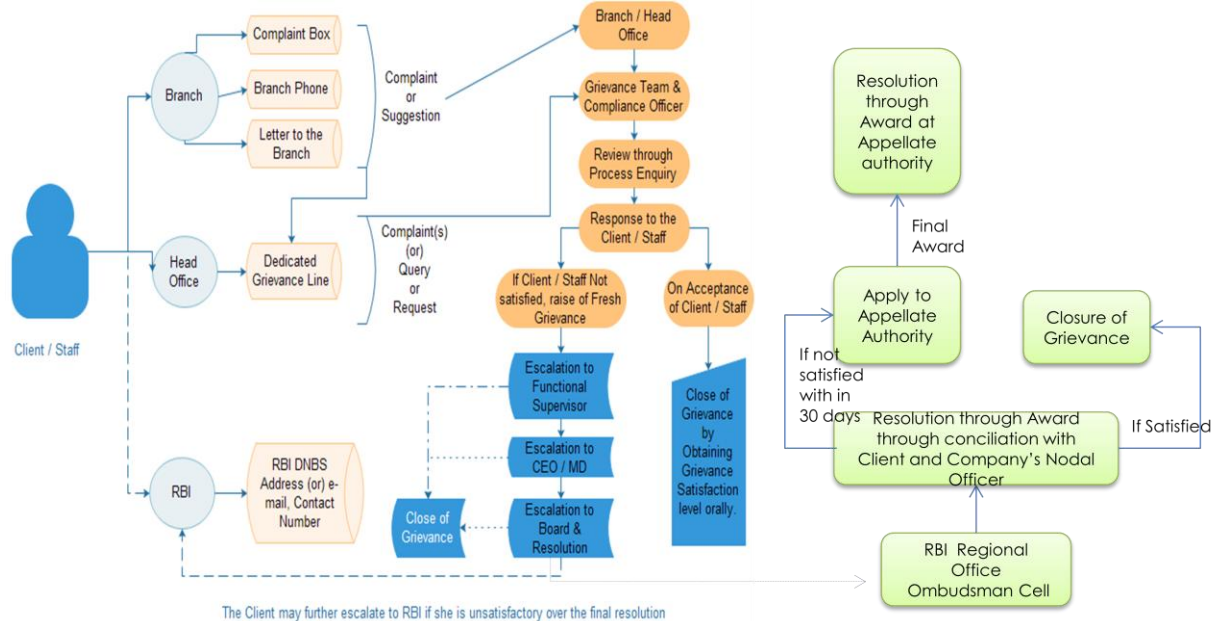
GRIEVANCE REDRESSAL PROCESS AND PROCEDURE

Currently grievance redressal procedure has one one-step regulatory escalation for Microfinance clients. Additionally the Reserve Bank of India extended the NBFC Ombudsman scheme 2018 to the non deposit taking NBFCs including the Microfinance Institutions.

The Major escalation Level(s) in the scheme are:

1. Reserve Bank of India’s designated regional Ombudsman Cell(s).
2. Conciliation with the Nodal Officer of the Company and the Client
3. Regulatory Appellate Authority for resolution of Grievances

Based on the Regulatory guidelines and the Ombudsman Scheme 2018, the Grievance Redressal process in the company has been re-framed as per below diagram



Note: for escalation procedure(s); client may also visit the www.rbi.org for Ombudsman scheme 2018 and further details.

Process:

1. All the branches shall be provided adequate stock of **“Annexure II – Form of Complaint (to be lodged) with the NBFC Ombudsman”** to be issued to the client who lodges the complaint with the branch office .
2. The details of such form(s) shall be issued through recording in the “Register of Issue of Complaint form(s)”.

Other Process Compliances:

1. The Head office shall reconcile the Client information and shall conduct a pre-compliant conciliation for the resolution of the issue without going to the Ombudsman,
2. In case If there is any prior notice (or) information to the company on the Client’s wish to approach to the Ombudsman for resolution of the issue, such, client conciliation meeting(s)

between the client and the Company shall happen in the presence of the legal counsel of the Company and ensure that such meeting minutes are recorded and preserved for the further references.

3. If any Client requested for Ombudsman Complaint form, the Branch manager may issue the Ombudsman Complaint form upon collecting all the details of such client along with the KYC documents and ensure that such form serial number and the client details are updated in the form issue register.
4. Website shall be updated by the team with the details of this entire process and the Operations team shall ensure that it is updated in the Fair Practices Code of the Company
5. As part of these compliance, all the branches have to be well informed about the procedures of the Ombudsman and the required forms and format(s) are to be displayed in the Branches notice board for information. All the offices have to maintain the ombudsman complaint form(s) along with the other stationary stock in the branch and for such stock a stock maintenance registers have to be maintained. The use of complaint form shall be on the FIFO basis.
6. Risk team shall ensure that the orientation process on Ombudsman scheme is conducted in the training sessions to the clients and the staff and for creating awareness to the clients during the Centre meeting(s) and shall ensure that contact details of Grievance Officer and the Nodal officer and the Ombudsman Regional Office(s) are published in the Loan form(s) as necessary in the vernacular language.
7. The grievance records of the company shall have the records escalated to the Ombudsman and such escalation details shall be reviewed at the Risk Management Committee (or) relevant risk follow-up committee(s) on a periodic basis not less than 30 days.

TIME-LINES

Sl. No	Process State	Timeline
1	Grievance recording and Resolution Time period	30 Days & Grievance Turn-Around Time is: 48 Hours
2	Waiting period for Confirmation and Issue of Certificate of acceptance and settlement of any such dues (from the Company) after Conciliation and Award sanction by the Ombudsman Authority.	Maximum 30 Days
3	Waiting period for Confirmation and Issue of Certificate of acceptance and settlement of any such dues (from the Company) after Award sanction by Appellate authority.	Within 45 days subject to approval by the Board of the Company if any. However, certificate of acceptance will be issued within 30 days after sanction of award.

NODAL OFFICER

Mrs Sugandha Anwekar, Vice President (Product, Process and Applications) will act as Nodal Officer (cum) Process-controlling officer for all the compliances related to the Ombudsman process and shall ensure that he attends to all the Conciliation meeting(s) with the client on behalf of the Company whenever arranged by the Regulator. Clients may contact the Nodal officer at the assigned telephone number if their grievance is not resolved within 30 days after submitting to the company.

FORMS AND FORMATS

1. Annexure II of the NBFC Ombudsman Scheme 2018
2. Annexure A – Display of Ombudsman Sheet (format given by RBI)
3. Complaint Form issue register

SHARE MICROFIN LIMITED – COMPLAINT FORM ISSUE REGISTER

Sl. No	Branch	Village	Client Name	Member Code	Representing person name with Client	Annexure II form Issue date	Complaint Form Number	Form Receiver Acknowledgement (Signature)	Comments of the Client / Client Representative	Relief Sought

FEW OTHER POINTS FOR CLIENT INFORMATION

The client shall lodge the Compliant in the format annexed to this Policy as Annexure II

The Client may approach the Ombudsman on below grounds of complaints alleging deficiency in services:

1. non-presentation or inordinate delay in the presentation of post-dated cheques provided by the customer;
2. failure to convey in writing, the amount of loan sanctioned along with terms and conditions including annualised rate of interest and method of application thereof;
3. failure or refusal to provide sanction letter/ terms and conditions of sanction in vernacular language or a language as understood by the borrower;
4. failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms and conditions in vernacular language as understood by the borrower;

5. failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues;
6. levying of charges without adequate prior notice to the borrower/ customer;
7. failure to provide legally enforceable built-in repossession clause in the contract/ loan agreement;
8. failure to ensure transparency in the contract/ loan agreement regarding (i) notice period before taking possession of security; (ii) circumstances under which the notice period can be waived; (iii) the procedure for taking possession of the security; (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale/ auction of the security; (v) the procedure for giving repossession to the borrower and (vi) the procedure for sale/ auction of the security;
9. non-observance of directions issued by Reserve Bank to the non-banking financial companies;
10. Non-adherence of any of the other provisions of Reserve Bank guidelines on Fair Practices Code for Non-Banking Financial Companies.

Client shall make the complaint on her own along with her authorized representative (other than an Advocate) to the Ombudsman within the specified regional office jurisdiction of the Branch office of the Company.

The Complaint shall be in the format annexed herewith as “Annexure II – NBFC Ombudsman Scheme” as published by the Reserve Bank of India and shall provide the details such as

1. The name and address of the complainant,
2. The name and address of the branch or registered office of the Non-Banking Financial Company against which the complaint is made,
3. The facts giving rise to the complaint,
4. The nature and extent of the loss caused to the complainant, and
5. The relief sought for.

The Ombudsman shall also entertain complaints covered by this Scheme received by the Central Government or Reserve Bank or other financial regulators and forwarded to him for disposal.

The Complaint may be rejected by the Bank in the following cases:

1. the complaint made is not on the grounds of complaint referred to in Clause 8 of the Scheme; or

2. the compensation sought is beyond the pecuniary limit specified under the Scheme;
3. the complaint made is requiring consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint;
or
4. the complaint made is without any sufficient cause; or
5. the complaint made is not pursued by the complainant with reasonable diligence required to be taken; or
6. In the opinion of the Ombudsman there is no loss or damage or inconvenience caused to the complainant.
7. Or during any procedure of the court, tribunal or conciliation sitting(s) etc. through specifying the respective reason thereof by passing an order rejecting the complaint.

Other Provisions in the Complaint Procedure(s)

The Reserve Bank of India based on the guidelines in the Ombudsman Scheme, may reject or accept the complaint at its sole discretion

The Bank may seek any information from the company w.r.t. to the Complaint and ask the representatives of the company to come for the conciliation discussion(s) and resolution of the complaint within the surveillance of the Regulator through the process of Settlement mentioned in the NBFC Ombudsman Scheme 2018.

The Reserve Bank of India based on the proceedings of the complaint and respective status may pass an Award to either of the party through allowing or rejecting the complaint.

The Award allowing the complaint by the Reserve Bank shall lapse within a period of 30 days after the issue of such letter of Award with allowing the complaint by the Bank which shall be settled through the procedure laid down in the refereed Ombudsman scheme.

Any person aggrieved or rejected with the award within 30 days may go to the Appellate Authority within 30 days of date of receipt of communication of Award or rejection of complaint;

Based on the Appellate authority's decision and Award of same effect or other as the case may be shall be enforced and implemented within the 15 days by the Ombudsman and pass a respective report through order will become the final.
