



WHISTLE BLOWER POLICY
NPCI/NQMS/IA/PO-02

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Executive Summary

This Whistle Blower Policy has been formulated to enable all employees to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An ombudsperson has been appointed to receive the complaints through email or letters who would investigate the complaints with an investigating team. The final decision would be taken by the Ombudsperson in consultation with the Audit Committee. This Policy would help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions.

1. Background

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has formulated this Whistle blower Policy in addition to the existing Code of Conduct that governs the actions of its employees. This Whistle blower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviours or practices) that affect Company's interest /image.

2. Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

3. Scope

This policy shall be applicable to all Employees of National Payments Corporation of India.

4. Definitions

4.1 Employee

"Employee" means any person on the rolls including those on deputation, contract, temporary, probationer, apprentice, trainee, part time employees / workers, full time consultants, holding permanent, honorary, ad hoc, voluntary or short term positions. For the limited purpose of this policy term "Employee" includes vendor (Provides Goods /Service to NPCI) of NPCI.

4. 2 Whistle blower

A Whistle blower is an employee who raises a concern about any wrongdoing, event or information about an actual, suspected or anticipated **Reportable Matter**. The Whistle blower is not expected to prove the truth of the allegation; but s/he needs to demonstrate sufficient grounds for concern and good faith.

4.3 Reportable Matter

4.3.1 General Malpractice

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of Company Policy or failure to implement or comply with any approved company Policy

4.3.2 Potential Infractions of the Code of Conduct

4.3.3 Breaches of copyright, patent and disclosure of confidential data/information to competitors/outside.

4.4 Audit Committee (ACB)

Audit Committee means Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 read with the rules thereon.

4.5 Disciplinary Action

Disciplinary Action means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

4.6 Good Faith

Good Faith means an employee shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

4.7 Ombudsperson

Ombudsperson can be Chairman of ACB or member of ACB selected/nominated by Audit Committee of Board. Ombudsperson ensures the fair and expeditious resolution of complaints in an impartial, confidential and independent manner.

4.8 Investigation Team

Investigation Team means those persons appointed by the Ombudsperson, required for assistance in the investigation of the Protected Disclosure and who submit their findings to the Ombudsperson.

4.9 Whistle Officer

Whistle officer shall be the Audit In charge/ Audit Head who shall act as secretary to Ombudsperson.

5. Disqualification

A Reportable Matter should not be confused with a grievance related to employment / superior - subordinate relationship/relationship with peers. Likewise, complaints associated with unsatisfactory probation reports, performance evaluations, favouritism, and nepotism and alike would not be covered under this policy. Such cases shall be referred to the Human Resources Department and redress sought through other mechanisms established within the system. As regards vendors reportable matter should not be confused with grievance related to delays/non-payment, dissatisfaction from T&C of contracts etc. Reportable matter may include concern like Kick Backs/seeking bribes, Forgery, Misuse of NPCI’s resources etc.

6. Accountabilities - Whistle blowers

- a) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b) Avoid anonymity when raising a concern
- c) Follow the procedures prescribed in this policy for making a Disclosure
- d) Co-operate with investigating authorities, maintaining full confidentiality

- e) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action.
- f) A whistle blower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- g) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed.
- h) In exceptional cases, where the whistle blower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Investigation Team, he/she can make a direct appeal to the Chairman of the Company.

7. Accountabilities - Whistle Officer and Investigation Team

Whistle Officer:

- a) Maintenance of documents pertaining to Investigation, Complaints etc.
- b) Maintenance of Register of issues
- c) Maintain confidentiality
- d) Acts as a secretary of ombudsperson

Investigation Team:

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Record Investigation Team deliberations and document the final report
- g) Provide information, documents to whistle officer regarding complaints.

8. Reporting Mechanisms

Employees should raise Reportable Matters directly to the Ombudsperson appointed by the Company to receive all such complaints under this policy and ensure appropriate action. The employees can notify a Reportable Matter in one of the following ways:

- By writing an email on email id of the Ombudsperson i.e. ombudsperson@npci.org.in
- By sending a letter in a sealed envelope marked “Whistle Blower -Private And Confidential” to the Ombudsperson / Whistle Officer.

Address for sending the envelope:
National Payments Corporation of India,
1001A, B wing, 10th Floor,
The Capital, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
Phone - 022 4000 9100

In order to enable the Company to effectively evaluate and investigate the complaint, the complainant must provide all the critical information and a detailed description of the Complaint as defined in Annexure A.

9. Investigation

9.1 Any such disclosure / complaint received by the Ombudsperson would be investigated confidentially in order to avoid discrimination against the complainant. The Ombudsperson would decide whether the complaint qualifies for further investigation under this policy or not.

9.2 If the Ombudsperson decides that the complaint qualifies for investigation under the Whistle blower Policy, initial enquiry would be conducted by the Ombudsperson. If the initial enquiry indicates that the concern has no basis, or if the matter is not to be pursued under this policy, it may be dismissed at this stage and the decision would be documented.

9.3 If initial enquiry indicates a necessity of further investigation, then that will be carried out by the Investigation Team. Investigation may involve study of documents and interviews, access system and other information required for the purpose of investigation. Full cooperation must be provided to Investigation team.

9.4 The Investigation Team would submit the report (Not Later than 90 days from date of receipt of concern/disclosure) to the Ombudsperson clearly indicating their findings as early as possible. Ombudsperson can allow additional time for submission of report based on the circumstances of the case.

9.5 The final decision will be taken by the Ombudsperson in consultation with the Audit Committee.

9.6 All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to

refer any concerns or complaints regarding Reportable Matters to appropriate external regulatory authorities.

9.7 If the investigation of a report that was done in good faith and investigated by ombudsperson is not to the Whistle blower's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.

9.8 The Whistle blower will be kept informed of the progress and the final outcome of the investigation, within the constraints of maintaining confidentiality.

9.9 If the malpractice constitute criminal offence Ombudsperson can take appropriate action including reporting to police. Ombudsperson to ensure implementation of Final decision/recommendation. Though no time frame is specified for such action the company will endeavour to act as quickly as possible in case of proved malpractice.

10. False Complaints

All Employees are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously. Whistle blowers who make any disclosures, which have been subsequently found to be mala - fide or malicious or who intentionally files a false report of wrongdoing will be subject to disciplinary action including termination.

11. Confidentiality of Identity of the Whistle blower

Whistle-blower protections are provided in two important areas - confidentiality and against retaliation. In so far as possible, the confidentiality of the Whistle-blower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defence.

12. Protection to Whistle blower

Protection

1. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle blowers' right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
 - a) The communication/ disclosure is made in good faith
 - b) He /She reasonably believes that information and any allegations contained in it, are substantially true; and
 - c) He /She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

2. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and disciplinary action taken against any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle blower.

13. Documentation

The whistle officer shall maintain documentation of all complaints or reports, subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of five (5) years from the date of receipt of the complaint or as required by law, whichever is higher.

14. Additional enforcement information

This whistle-blower policy does not in any way restrict any employee to approach any local, state, or central law enforcement agency or any such other regulatory authority that are authorized to review any reportable event as explained earlier in the policy.

15. Audit Committee

The Audit Committee shall oversee the implementation of the whistle blower policy and shall have the right to periodically call for necessary reports from the ombudsperson or any other person in relation to the whistle blower policy. Whistle officer shall place to ACB status of complaints.

16. Company's powers

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be

ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

17. Violation

The Company expects total compliance of this policy, violation, if any will be subject to disciplinary action including termination.

18. Policy Owner

Internal Audit Department would be responsible for maintaining and carrying out subsequent modifications in accordance with the applicable regulations.

19. Revision of Policy

Management reserves the right to revise this policy at any time and in any manner without notice. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company. Any change or revision will be communicated appropriately.

Annexure A

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

Disclosure should be made in writing.

- By writing an email on email id of the Ombudsperson i.e. ombudsperson@npci.org.in;

OR

- Letters can be submitted by hand-delivery, courier or by post addressed to the Ombudsperson appointed by the Company at below address:

National Payments Corporation of India,
1001A, B wing, 10th Floor,
The Capital, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
Phone - 022 4000 9100

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- a) Name, address and contact details of the Whistle blower (including employee Code, if the Whistle blower is NPCI's employee).
- b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
- c) In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower - Private and Confidential" and addressed to the Ombudsperson/Whistle Officer, depending on position of the person against whom disclosure is made.

3. What will happen after the Disclosure is submitted?

Please refer the section 9.

4. What should I do if I face any retaliatory action or threats of retaliatory action as a result of making a Disclosure?

If you face any retaliatory action or threats of retaliatory action as a result of making a Disclosure, please inform the Whistle Officer in writing immediately. He/she shall forward the same to ombudsperson. Ombudsperson will take cognizance of each and every such complaint/feedback received and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.