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आॅयल इंडिया
OIL INDIA

FRAUD PREVENTION POLICY

1. Background

Oil India Limited (OIL) is committed to upholding the highest standards of corporate governance, transparency, and ethical conduct. This Fraud Prevention Policy has been established to provide a framework for preventing, detecting, and responding to fraudulent activities within the organization. The policy aligns with relevant legal and regulatory requirements, including the Companies Act, 2013, as well as the guidelines issued by the Department of Public Enterprises (DPE) and the Central Vigilance Commission (CVC).

2. Policy Objectives

The "Fraud Prevention Policy" has been designed to establish a framework for identifying and preventing fraudulent activities, reporting any detected or suspected fraud, and ensuring a fair and transparent approach to handling fraud-related matters. The objectives of this policy are:

(i) To foster an ethical and fraud-free environment within OIL by promoting transparency, accountability, and integrity at all levels.

(ii) To establish a culture that encourages proactive fraud prevention among all stakeholders, including senior management, employees, business associates, vendors, customers, and other entities engaged with OIL.

(iii) To ensure that all suspected fraudulent activities are thoroughly investigated and addressed with due diligence.

3. Scope

This policy applies to all employees (full-time, part-time, contractual, and temporary), trainees, advisors, directors, business associates, vendors, contractors, suppliers, consultants, service providers, and any external parties having business dealings with OIL.

This policy is an integral part of OIL's overall governance framework and should be read and applied in conjunction with other policies and procedures, including the Code of Conduct for Board Members and Senior Management, the Whistleblower Policy, and employee conduct regulations as outlined in the Employees' (Conduct, Discipline, and Appeal Rules - 'CDA') and applicable Standing Orders. It is also aligned with the Risk Management Policy, Information Security Management Policy, and other relevant corporate guidelines. OIL operates under the administrative control of the Ministry of Petroleum and Natural Gas. Additionally, OIL is governed by regulatory bodies such as

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the Department of Public Enterprises (DPE), the Central Vigilance Commission (CVC), the Comptroller and Auditor General of India (C&AG), Oil Industry Safety Directorate (OISD), and the Petroleum and Natural Gas Regulatory Board (PNGRB).

4. Definition of Fraud

As per Section 447 of the Companies Act, 2013, "Fraud" in relation to affairs of a company or anybody corporate, includes any act, omission, concealment of any factor abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

"Wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled.

"Wrongful loss" means the loss by unlawful means of property to which the person losing is not legally entitled.

5. Action Constituting Fraud

While fraudulent activity could have a very wide range of coverage, the following are some of the act(s), which constitute fraud:

i. **Forgery or alteration** of any document, account, cheque, bank draft, or financial instrument belonging to the Company.

ii. **Misappropriation** of funds, securities, supplies, or other assets for personal or unauthorized use.

iii. **Falsification of records**, including payrolls, tender recommendations, financial reports, or unauthorized document modifications.

iv. **Wilful suppression of facts/deception** in matters of appointment, placement, submission of reports, or recommendations that result in wrongful gains/losses.

v. **Unauthorized receipt or approval of payments** for goods or services not supplied or rendered.

vi. **Destruction, removal, or inappropriate use of company records or assets** with intent to mislead, misrepresent, or manipulate facts.

vii. **Impropriety in financial transactions**, including fraudulent reporting, embezzlement, or misuse of company funds.

viii. **Profiteering from insider knowledge** or disclosing confidential and proprietary information to unauthorized parties.

ix. **Bribery, kickbacks, and collusion** with vendors, contractors, or service providers for personal or undue advantage.

x. **Accepting or seeking material benefits** from external entities in violation of ethical business practices.

xi. **Engaging in fraudulent activities** that compromise the company's financial integrity, reputation, or stakeholder trust.

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6. Reporting of Fraud

i. Any employee or external party aware of or suspecting fraud must report it immediately to the Company secretary (C.S.). Reports should preferably be in writing. If the reporter is unwilling to submit a written statement but can provide specific details of the suspected fraud, the receiving officer must document the information while maintaining the reporter's confidentiality. Under no circumstances should the matter be discussed with unauthorized persons.

ii. Reports can be submitted through OIL's whistleblower mechanism, ensuring confidentiality and protection against retaliation.

iii. Anonymous complaints may be considered if supported by substantial evidence.

iv. All reported fraud cases will be recorded and evaluated by the Audit & Ethics committee.

v. The Company Secretary and other designated authorities shall make every effort to protect the rights and reputations of all individuals involved in a report of suspected fraud, including the complainant who has reported the matter in good faith.

vi. OIL will handle all information related to a complaint or investigation with strict confidentiality. The existence and details of a report or investigation shall not be disclosed except to those who need to know for the purpose of conducting the investigation or addressing the matter appropriately.

7. Investigation Process:

a. **Referral and Investigation:**
   i. Company Secretary reports suspected/actual fraud to Audit & Ethics Committee of OIL for investigation.
   ii. Audit & Ethics Committee appoints an investigator based on complaint merits.
   iii. Investigator conducts a fair, neutral fact-finding process.
   iv. Complainant and accused are given a chance to present their case without presumption of guilt.

b. Coordination and Reporting:
   i. Vigilance Department coordinates with Company Secretary and Audit & Ethics Committee, sharing progress and findings.

c. Post-investigation, appropriate action will be taken as per the CDA/ Standing Orders or any other applicable / relevant rules.

d. Legal Action:
   i. For fraud involving external parties (vendors, contractors, etc.), HOD or Company Secretary (with approval) may initiate legal action, including filing an FIR.
   ii. If fraud impacts financial statements, Audit & Ethics Committee informs external auditors for disclosures and corrective measures.

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8. Responsibility for Fraud Prevention:

Every employee (full-time, part-time, temporary, and contractual) trainees, advisors, vendors, suppliers, contractors, consultants, service providers, or any other entity conducting business with OIL, is expected to uphold integrity and ensure that no fraudulent activity is committed in connection with their business transactions with OIL. If they become aware of any fraud or suspected fraud, they must immediately report it to the designated authority as per the established procedure.

9. Disciplinary Actions:

Employees found guilty of fraud shall be subject to disciplinary action as per CDA rules /Standing Order, CVC manual or any other applicable / relevant rules.

10. Administration & Review:

i. The Competent Authority shall oversee the administration of this policy.

ii. The policy shall be reviewed periodically and updated as necessary to align with evolving regulatory and business requirements.

This policy has been approved by OIL's competent authority and is publicly available across various platforms, reaffirming OIL's commitment to fraud prevention.

Effective Date: 29.06.2026
Version: 1.0