

**Spandana Sphoorty Financial Ltd.**  
**Internal Audit Department**



**Fraud Investigation Report**

**Branch Details:**

| Branch Code                             | Branch Name                    | Cluster                          | Area   | Region                        | State                         | Zone                     |
|---|--------------------------------|----------------------------------|--|-------------------------------|-------------------------------|--------------------------|
| OR2758                                  | Singhpur                       | Jajpur Town                      | Bhadrak  | Bhadrak                       | Odisha                        | East                     |
| Branch Manager Name/ID                  | Branch Quality Manager Name/ID | Cluster Manager Name/ID          | AVP Name/ID  | VP Name/ID                    | SVP Name/ID                   | CBO Name/ID              |
| Sangram keshari<br>Jena/SF005731<br>7   | Anil Kumar Behera/SF0063616    | Biranchi Narayan Swain/SF0003954 | Krushna Chandra Sahoo/SF0083225                          | Alok Kumar Maharana/SF0083414 | Sanjaya Kumar Sahoo/SF0070624 | Shriraj Vedsen/SF0071741 |
| Date of Information Received (DD/MM/YY) |                                | 30/04/2025                       | Date of event/transactions occurred (From-To) (DD/MM/YY) |                               | 05/05/2025                    | 15/05/2025               |

| Type of Incident (Fraud/Robbery/Theft)             | Staff Fraud |
|--|-------------|
| Internal or External                               | Internal    |
| No. of staff/persons involved: Fraud/Robbery/Theft | 1           |
| Total Amount Involved (Rs.)                        | 20590/-     |

**Describe how the incident has been exposed/identified:**

During Field visit at Singhpur (OR2758) by CM Biren Kumar Pattanaik/SF0087420 visited Center Number - Eradanga 501614 and observed that BM Rajendra Palai/SF0028669 had collected EMI from borrower Kabita Malik **Rs.3460/-** from Center Eradanga683629 collected Two EMI from borrower Santilata Sethi **Rs.6940/-** but that amount was not inputted in FIMO. The borrower provided Phone pay Screenshot as evidence. As per the above collection misappropriation, the complaint was lodged on 30<sup>th</sup> Apr 2025, vide complaint Number **F25-26-00442**.

**Brief Details of the incident:**

**Investigation Approach:**

The Audit team visited all Borrowers, those are handled by BM Rajendra Palai to check the availability of the borrower, and the amount collected was not accounted.

**Modus Operandi:**

Branch Manager Rajendra Palai employee ID SF0028669 made a cash misappropriation with an amount of **Rs-20590/-** for 05 borrowers.

- The internal audit team investigated by Tele Calling and visited all 759 borrowers handed by BM.
- Post Verification, it was observed that a total of 759 no's Borrowers visited, out of that 234 no's of borrowers were present & 521 no's borrowers were "Not available at home" at the time of verification. Hence for the nonavailability of borrowers, we were verified with the loan card, which is available at the center for 40 no's Borrowers. Observed fraud for 05 nos borrowers of **Rs 20590/-**.
- Total Rs-**20590/-** Recovered from BM Rajendra Palai and Rs **12640/-** Accounted in FIMO and Rest Amount Rs-**7950/-** not Accounted in FIMO but amount deposited in HO account on dtd. 15-05-25. Net Fraud Amount Rs-**0.00/-**

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**Categories of Fraud Details: -**

| <b>Sl. No</b> | <b>Type of Fraud</b> | <b>Affected Borrowers</b> | <b>Fraud Amount</b> | <b>Recovery Amount</b> | <b>Net Fraud Amount</b> |
|---------------|----------------------|---------------------------|---------------------|------------------------|-------------------------|
| 1             | Collection           | 5                         | 20590               | 20590                  | 0                       |
|               | <b>Total</b>         | <b>5</b>                  | <b>20590</b>        | <b>20590</b>           | <b>0</b>                |

**Details of Process & Policy Lapses:**

- 1- Monitoring failure.
- 2- Violation of collection process.
- 3- Proper follow up not done for standard pending customer.

**Details of the Enclosed Annexures, Documents & Statements from staff/customers if any:**

1. Borrower Sub-ledger.
2. Digital Payment.
3. Loan Card.
4. Borrower/Staff (LO) written statement.

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| Sl. NO. | Checklist  | Particulars  |
|---------|--|--|
| 1       | Who exposed the event:<br>Name/ID/Designation/Department/Centre to be mentioned                            | Biren Kumar Pattanaik/SF0087420 /BM/Business/<br>Eradanga 501614/ Eradanga683629 |
| 2       | Date of event exposed  | 29 <sup>th</sup> Apr 2025  |
| 3       | Name/ID/Designation of the Fraudulent Staff  | Rajendra Palai/SF0028669/Branch Manager  |
| 4       | Whether it is in the notice of<br>BM/BQM/CM/AVP/VP/SVP & HR (Yes/No)                                       | Yes  |
| 5       | If yes, mention the Action initiated by<br>BM/BQM/CM/AVP/VP/SVP  | Yes  |
| 6       | No. of thefts/robberies happened in this branch for<br>the past 12 months (excluding this)                 | NO   |
| 7       | No. of staff frauds happened in this branch for the<br>past 12 months (excluding this)                     | 4  |
| 8       | Is there any disciplinary action taken by HR in his/her<br>past tenure?                                    | Yes  |
| 9       | Whether an internal audit was conducted at the<br>branch during the occurrence of the fraud<br>(Yes/No/NA) | No   |
| 10      | If yes, whether internal audit has detected the fraud<br>(Yes/No/NA)                                       | NA   |
| 11      | If No, why the fraud was not detected/informed during<br>such an audit?                                    | NA   |
| 12      | Is there any investigation conducted & reported after<br>detection by other departments (Yes/No/NA)        | Yes  |
| 13      | If yes, mention the departments that conducted and<br>reported.  | Internal Audit   |

**Details of involved staff**

| Sr. No. | Staff Name        | Employee ID | Designation    | DOJ in SSFL<br>(DD/MMM/YY) | DOJ in Branch<br>(DD/MMM/YY) | DOJ in Exit<br>(DD/MMM/YY) |
|---------|-------------------|-------------|----------------|----------------------------|------------------------------|----------------------------|
| 1       | Rajendra<br>palai | SF0028669   | Branch Manager | 14-11-2019                 | 18-10-2020                   |                            |

**Note:** The information and observations given in the report are based on records and documents produced before us for verification. We have relied on certain explanations and representations provided by the SSFL staff & customers wherever applicable.

**Report prepared by : Internal Audit Team.**

**Date : 16<sup>th</sup> May 2025**