

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

| Branch Code | Branch Name | Cluster | Area | Region | State | Zone |
|--|--------------------------------|---------------------------------|---|---------------------------------|-----------------------------|---------------------------|
| ORGL1333 | Sakhi Gopal | Sakhi Gopal | Bhubaneswar | Bhubaneswar | 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 |
| Binod Padhiary /SF0088566 | Chinmaya Indrajit /SF0040723 | Manoj Kumar Badatia / SF0088861 | Bhagaban Swain / SF0097828 | Santosh Kumar Sahoo / SF0071004 | Sanjay Ku Sahoo / SF0070624 | Shriraj Vedsen/ SF0071741 |
| Date of Information Received (DD/MMM/YY) | | 06-May-25 | Date of event/transactions occurred (From-To) (DD/MMM/YY) | | 14-05-2025 | 23-05-2025 |

| | |
|---|--------------------|
| 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.) | 161572/- |
| Recovery Amount | 9570/- |
| Net Fraud Amount | 152002/- |

Describe how the incident has been exposed/identified:

During center visit at Sakhi Gopal (ORGL1333) Branch, Cluster Manager Manoj Kumar Badatia/SF0088861 has observed a misappropriation of a Borrower of center number 558316 and that LO Chandan Mohanty / SF0057977 had collected 2 EMI amount from 1 borrower amounting **Rs 6800/-**, but that amount not inputted in FIMO. Borrower provided Loan card as evidence. As per the above EMI misappropriation, the complaint was lodged on 6th May 2025, vide complaints number **F25-26-00498**. Now Loan Officer Chandan Mohanty / SF0057977 Absconded as per HR records. Post Investigation, Loan Officer Chandan Mohanty / SF0057977 made a cash misappropriation with an amount of **Rs 161572/-** for 23 borrowers.

Brief Details of the incident:

Investigation Approach:

The Audit team visited all Borrowers, those are handled by LO Chandan Mohanty / SF0057977 to check the availability of the borrower and the amount collected was not accounted for.

Modus Operandi:

Loan Officer Chandan Mohanty/SF0057977 made a cash misappropriation with an amount of **Rs 161572/-** for 23 borrowers. The internal audit team investigated visited all 137 borrowers handled by LO.

- Post Verification, it was observed that a total of 137 no's borrowers visited, out of that 65 no's of borrowers were present, 72 no's borrowers were "Not available at home" at the time of verification.
- Unable to verify 33 customers as branch staff have no knowledge about borrower residence.
- The total fraud amount, including all the borrowers, is **Rs 161572/-**, Recovery **Rs 9570/-** posted in FIMO and NET fraud amount **Rs 152002/-**.

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.
3. Loan Card
4. Borrower written statement

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Categories of Fraud Details: -

| Sl. No | Type of Fraud | Affected Borrowers | Fraud Amount | Accounted to Borrower Ledger | Amount Yet to recover |
|--------|---------------|--------------------|---------------|------------------------------|-----------------------|
| 1 | Collection | 23 | 161572 | 9570 | 152002 |
| | Total | 23 | 161572 | 9570 | 152002 |

| Sl. NO. | Checklist | Particulars |
|---------|--|---|
| 1 | Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned | Manoj Kumar Badatia /SF0088861/Cluster Manager / Business /558316 |
| 2 | Date of event exposed | 05 May 2025 |
| 3 | Name/ID/Designation of the Fraudulent Staff | Chandan Mohanty/SF0057977/ Loan Officer |
| 4 | Whether it is in the notice of BM/BQM/CM/AVP/VP/SVP & HR (Yes/No) | Yes |
| 5 | If yes, mention the Action initiated by BM/BQM/CM/AVP/VP/SVP | CM |
| 6 | No. of thefts/robberies happened in this branch for the past 12 months (excluding this) | No |
| 7 | No. of staff frauds happened in this branch for the past 12 months (excluding this) | 2 |
| 8 | Is there any disciplinary action taken by HR in his/her past tenure? | No |
| 9 | Whether an internal audit was conducted at the branch during the occurrence of the fraud (Yes/No/NA) | No |
| 10 | If yes, whether internal audit has detected the fraud (Yes/No/NA) | NA |
| 11 | If No, why the fraud was not detected/informed during such an audit? | NA |
| 12 | Is there any investigation conducted & reported after detection by other departments (Yes/No/NA) | Yes |
| 13 | If yes, mention the departments that conducted and reported. | Internal Audit |

Details of involved staff

| Sr. No. | Staff Name | Employee ID | Designation | DOJ in SSFL (DD/MMM/YY) | DOJ in Branch (DD/MMM/YY) | DOJ in Exit (DD/MMM/YY) |
|---------|-----------------|-------------|--------------|----------------------------|------------------------------|----------------------------|
| 1 | Chandan Mohanty | SF0057977 | Loan Officer | 31/05/2021 | 04/10/2023 | 02/05/2025 |

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 : 24 May 2025