

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

| Branch Code | Branch Name | Cluster | Area | Region | State | Zone |
|--|--------------------------------|---------------------------|---|----------------------------|---------------------------|--------------------------|
| JH2720 | Rajdhanwar | Rajdhanwar | Giridih | Deoghar | Jharkhand | 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 |
| Amit Kumar/SF009553 3 | Amardeep Kumar Das/SF0065056 | Achchhe Lal/SF009083 5 | Sonu Kumar Gupta/SF0027 408 | Rajib Bhadra/SF008284 0 | Rohan Mukherjee/SF0074701 | Shriraj Vedsen/SF0071741 |
| Date of Information Received (DD/MMM/YY) | | 07-May-2025 | Date of event/transactions occurred (From - To) (DD/MMM/YY) | | 06-Apr-2024 | 05-May-2025 |

| | |
|---|-------------------|
| Type of Incident (Fraud/Robbery/Theft) | Fraud |
| Internal or External | Internal |
| No. of staff/persons involved: Fraud/Robbery/Theft | 01 |
| Total Amount Involved (Rs.) | 1,80,327/- |

Describe how the incident has been exposed/identified:

On 07th May'25, During the center meeting visit by the cluster manager Achchhe Lal/SF0090835 identified that earlier loan officer Kishan Kumar Verma/SF0079949 had collected the pre-close amount of Rs. 42,200/- from borrower Makwa Bibi (356060586) on 06-Apr-2025 but amount was not accounted in FIMO.

On 07-May-2025, cluster manager Achchhe Lal/SF0090835 informed the complaint team for registered a complaint against the Loan Officer Kishan Kumar Verma/SF0079949.

On 08-May-2025, registered a complaint against the alleged staff vide complaint nos. FN25-26-00528.

Brief Details of the incident:

Field Observation

During the field visit, we observed the following embezzlement. Staff details as hereunder: -

- Loan Officer Kishan Kumar Verma/SF0079949 had embezzled 06 Borrower's Loan Pre-close Rs. 1,50,908/-, 01 Borrower's Loan Advance Collection Rs. 2,100/- and 06 Borrower's Loan Instalment Rs. 27,319/- and not updated in FIMO.

We have collected evidence from all 13 borrowers i.e. Loan cards, Digital receipt, Handwritten Receipt and Borrower Statements.

| Fraudulent Staff Name | Fraudulent Staff Emp ID | Collection Amount | Advance Amount | Pre-Closure Amount | Total Fraud Amount | Recovery Amount | Net Fraud Amount |
|-----------------------|-------------------------|-------------------|----------------|--------------------|--------------------|-----------------|------------------|
| Kishan Kumar Verma | SF0079949 | 27319.00 | 2100.00 | 150908.00 | 180327.00 | 37930.00 | 142397.00 |

Modus operandi

Staff collected the amount from borrowers but did not input it in FIMO from 06-Apr-2024 to 05-May-2025. The Branch Manager did not follow the day-wise collection and input process.

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Fraud Amount –

A total Fraud of Rs. 1,80,327/- was identified during the investigation and total impacted customer is 13. We have collected all the evidence from the impacted borrowers.

Staff Status –

- Loan Officer Kishan Kumar Verma /SF0079949 Absconded on 13-Apr-2025 and he was suspended on 12-05-2025 as per HR team.

Details of Process & Policy Lapses:

- Instalment had been collected but not inputted in FIMO.
- Monitoring process failure.
- Pre-closure policy lapsed
- Supervisory Monitoring Failure

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

- Fraud Investigation Report
- Borrowers Loan Card
- Borrowers Loan Sub Ledger
- Digital Receipts Copy
- Handwritten Receipt
- Borrower Statements

| Sl. NO. | Check list | Particulars |
|---------|---|---|
| 1 | Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned | Achchhe Lal/SF0090835/Cluster Manager/Business Team |
| 2 | Date of event exposed | 07-May-2025 |
| 3 | Name/ID/Designation of the Fraudulent Staff | Kishan Kumar Verma /SF0079949/ 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) | 0 |
| 7 | No. of staff frauds happened in this branch for the past 12 months (excluding this) | 01 |
| 8 | Is there any disciplinary action taken by HR in his/her past tenure. | NA |
| 9 | Whether internal audit was conducted at the branch during occurrence of the fraud (Yes/No/NA) | Sample not covered. |
| 10 | If yes, whether an internal audit has detected the fraud (Yes/No/NA) | NA |

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|----|--|----|
| 11 | If No, why was fraud not detected/informed during such audit. | NA |
| 12 | Is there any investigation conducted & reported after detection by other departments (Yes/No/NA) | NO |
| 13 | If yes, mention the departments who conducted and reported. | NA |

Details of involved staff

| Sr. No. | Staff Name | Employee ID | Designation | DOJ in SSFL (DD/MMM/YY) | DOJ in Branch (DD/MMM/YY) |
|---------|--------------------|-------------|--------------|----------------------------|------------------------------|
| 1 | Kishan Kumar Verma | SF0079949 | Loan Officer | 05-12-2023 | 06-12-2023 |

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.

Date : 26-May-2025