

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)		11-Apr-25	Date of event/transactions occurred (From-To) (DD/MMM/YY)		11-04-25	21-04-25

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.)	70960/-
Recovery Amount	29500/-
Net Fraud Amount	41460/-

Describe how the incident has been exposed/identified:

During branch visit at Sakhi Gopal (ORGL1333) Branch, Cluster Manager Manoj Kumar Badatia/SF0088861 observed a misappropriation of a Borrower of center number 349064 and that LO Lokanath Nayak / SF0062476 had collected Pre-closure amount from 1 borrower amounting **Rs 12563/-**, but that amount not inputted in FIMO. Borrower provided Loan card as evidence. As per the above pre-closure misappropriation, the complaint was lodged on 11th Apr 2025, vide complaints number **F25-26-00151**. Now Loan Officer Lokanath Nayak / SF0062476 Absconded as per HR records. Post Investigation, Loan Officer Lokanath Nayak / SF0062476 made a cash misappropriation with an amount of **Rs 70960/-** for 6 borrowers.

Brief Details of the incident:

Investigation Approach:

The Audit team visited all Borrowers, those are handled by LO Lokanath Nayak / SF0062476 to check the availability of the borrower and the amount collected was not accounted for.

Modus Operandi:

Loan Officer Lokanath Nayak / SF0062476 made a cash misappropriation with an amount of **Rs 70960/-** for 6 borrowers. The internal audit team investigated visited all 462 borrowers handled by LO.

- Post Verification, it was observed that a total of 462 nos Borrowers visited, out of that 84 nos of borrowers were present, 378 nos borrowers were "Not available at home" at the time of verification.
- The total fraud amount, including all the borrowers, is **Rs 70960/-**, Recovery **Rs 29500/-** posted in FIMO and NET fraud amount **Rs 41460/-**.

Categories of Fraud Details: -

Sl. No	Type of Fraud	Affected Borrowers	Fraud Amount	Accounted to Borrower Ledger	Amount Yet to recover
1	Collection	4	46140	7920	38220
2	Pre-closure	2	24820	21580	3240
Total		6	70960	29500	41460

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Details of Process & Policy Lapses:

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

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

1. Borrower Loan Card.
2. Borrower Sub-ledger.
3. Phone pe Transaction.
4. Borrower Written statement

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SI. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Manoj Kumar Badatia /SF0088861/Cluster Manager / Business / 346094
2	Date of event exposed	10 Apr 2025
3	Name/ID/Designation of the Fraudulent Staff	Lokanath Nayak/SF0062476 / 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)	NA
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	Lokanath Nayak	SF0062476	Loan Officer	25-11-2021	29-07-2022	31-03-2025

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 : 23 Apr 2025