

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

| Branch Code | Branch Name | Cluster | Area | Region | State | Zone |
|--|--------------------------------|----------------------------------|---|---------------------|-------------------------------|-----------------------|
| MP1207 | Indore-4 | Indore | Khandwa | Indore | Madhya Pradesh | West |
| 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 |
| Sunil Prajapati/SF0098400 | Arjun Verma/SF0061160 | Devendra Singh Sendhav/SF0045415 | Jitendra Vishvakarma/SF0010433 | Zahid Ali/SF0022634 | Manish Kumar Paroha/SF0077370 | Umesh Kumar/SF0088299 |
| Date of Information Received (DD/MMM/YY) | | 18-Aug-2025 | Date of event/transactions occurred (From - To) (DD/MMM/YY) | | 12-Sep-2023 | 10-Aug-2025 |

| | |
|---|-------------------|
| Type of Incident (Fraud/Robbery/Theft) | Fraud |
| Internal or External | Internal |
| No. of staff/persons involved: Fraud/Robbery/Theft | 1 |
| Total Amount Involved (Rs.) | 1,88,072/- |

Describe how the incident has been exposed/identified:

- The IA Team has identified that Senior Loan Officer Krishna Pal Rathore/SF0070213 has done Pre-closure & collection Misappropriation by collecting Amount & EMIs from the borrowers & without updating the same to their accounts, have embezzled the same. Basis complaint was registered on their names vide no's: FN25-26-01858.

Brief Details of the incident:

Investigation Approach:

- The audit team visited the total of 667 borrowers handled by Senior Loan Officer Krishna Pal Rathore/SF0070213 based on the lodged complaint.

Modus Operandi:

- Investigation was conducted by Internal audit team from 25-Aug-25 to 06-Sep-25 covering the total 667 borrowers which were handled by the Senior Loan Officer Krishna Pal Rathore/SF0070213 has committed fraud by collected EMIs and not updated to concerned borrower accounts & embezzled the same.

Post verification, it was found that out of a total of 667 borrowers the staff collected EMI and pre-closure amount of 10 borrowers but did not update the same in the respective borrower accounts.

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Borrower wise details and summary are mentioned below:

Senior Loan Officer Krishna Pal Rathore/SF0070213 was found involved in collection & Pre-closure misappropriation (Collected EMIs but not posted to concerned borrower accounts) on the names of 10 borrowers amounting to Rs. 1,88,072/- based on the evidence available.

| S. N | Customer ID | Borrower Name | Type of Amount Collected (Drop Down) | Amount Collected (Gross Fraud) | Amount Recovered & Accounted in FIMO | Amount Recovered But "Not" Accounted in FIMO | Difference Amount (Net Fraud) (Formula) |
|------|-------------|---------------------|--------------------------------------|--------------------------------|--------------------------------------|--|---|
| 1 | SSF3683904 | AARTI | Pre-Closure Amount Misappropriated | 43204.00 | 27800.00 | 0.00 | 15404.00 |
| 2 | SSF3397616 | SNEHA CHOUHAN | Collection Amount Misappropriated | 6920.00 | 0.00 | 0.00 | 6920.00 |
| 3 | SSF3385688 | KIRAN | Pre-Closure Amount Misappropriated | 30590.00 | 21300.00 | 0.00 | 9290.00 |
| 4 | SSF4263182 | SHAHAR JANA KHATOON | Pre-Closure Amount Misappropriated | 13483.00 | 11200.00 | 0.00 | 2283.00 |
| 5 | SSF5164657 | GEETA KHEDE | Pre-Closure Amount Misappropriated | 28746.00 | 10760.00 | 0.00 | 17986.00 |
| 6 | SSF6411549 | JAASMEEN BEE | Pre-Closure Amount Misappropriated | 38700.00 | 17920.00 | 0.00 | 20780.00 |
| 7 | SSF4255566 | RASHMI RAJU VILEKAR | Collection Amount Misappropriated | 2699.00 | 0.00 | 0.00 | 2699.00 |

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



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|--------------|--------------|-------------|---|-----------------|---------------|----------|---------------|
| 8 | SSF3698121 | REKHA BAI | Collection Amount Misappropriated | 4700.00 | 0.00 | 0.00 | 4700.00 |
| 9 | CID039503167 | SHAHNAJ BEE | Advance Collection Amount Misappropriated | 4270.00 | 0.00 | 0.00 | 4270.00 |
| 10 | SSF5284835 | SHABNAM BEE | Pre-Closure Amount Misappropriated | 14760.00 | 8050.00 | 0.00 | 6710.00 |
| Total | | | | 1,88,072 | 97,030 | 0 | 91,042 |

Details of Process & Policy Lapses:

- (1) Collection tracking failure by BM and CM.
- (2) Monitoring failure by AVP, VP and SVP.
- (3) Not followed the pre-closure process as in most of the cases the pre-closure amount was collected but not posted the same in FIMO.
- (4) Not followed the JLG methodology as the loan officer collected the EMI from the individual clients instead of from all group borrowers at the place of center meeting on the basis of group guarantee and for the same proper monitoring was not conducted by the higher authority.

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

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

- (1) Fraud Investigation Report.
- (2) Borrower Loan Card and Sub Ledger.
- (3) Borrower Written Statement.

Spandana Sphoorty Financial Ltd.
Internal Audit Department



| Sl. NO. | Check list | Particulars |
|---------|--|--|
| 1 | Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned | Sunil Prajapati/SF0098400/BM |
| 2 | Date of event exposed | 11-Aug-2025 |
| 3 | Name/ID/Designation of the Fraudulent Staff | Krishna Pal Rathore/ SF0070213 / Senior 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 | Raised the complaint to complaints team. |
| 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) | 00 |
| 8 | Is there any disciplinary action taken by HR in his/her past tenure. | No |
| 9 | Whether internal audit was conducted at the branch during occurrence of the fraud (Yes/No/NA) | No |
| 10 | If yes, whether internal audit has detected the fraud (Yes/No/NA) | No |
| 11 | If No, why the fraud was not detected/informed during such audit. | NA |
| 12 | Is there any investigation conducted & reported after detection by other departments (Yes/No/NA) | Yes |
| 13 | If yes, mention the departments who 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) |
|---------|---------------------|-------------|---------------------|----------------------------|------------------------------|
| 1 | Krishna Pal Rathore | SF0070213 | Senior Loan Officer | 24-Jan-23 | 24-Jan-23 |

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: 06-Sep-2025