

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
MPGL2193	Betul	Harda	Betul	Bhopal	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
Kamlesh Dulare/SF0047176	NA	Arvind Kachhawe/SF0021927	Santosh Kumar Jatav/SF0080215	NA	Manish Kumar Paroha/SF0077370	Umesh Kumar/SF0088299
Date of Information Received (DD/MMM/YY)		28-Aug-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		01-Oct-2024	11-Jun-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.)	1,37,770/-

Describe how the incident has been exposed/identified:

- The Business Team has identified that Customer Retention Associate Nitin Nikhade/SF0047812 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: FN25-26-01984.

Brief Details of the incident:

Investigation Approach:

- The audit team visited the total of 235 borrowers handled by Customer Retention Associate Nitin Nikhade/SF0047812 based on the lodged complaint.

Modus Operandi:

- Investigation was conducted by Internal audit team from 01-Sep-25 to 13-Sep-25 covering the total 235 borrowers which were handled by the Customer Retention Associate Nitin Nikhade/SF0047812 has committed fraud by collected pre-closure amount & EMIs but not updated to concerned borrower accounts & embezzled the same.

Post verification, it was found that out of total 235 borrowers the staff collected EMI and pre-closure amount of 09 borrowers but did not update the same in the respective borrower accounts.

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Borrower wise details and summary are mentioned below:

Customer Retention Associate Nitin Nikhade/SF0047812 was found involved in collection & Pre-closure misappropriation (Collected EMIs but not posted to concerned borrower accounts) on the names of 09 borrowers amounting to Rs. 1,37,770/- based on the evidence available.

S. No.	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	SID951375295961	SHIVRATI	Pre-Closure Amount Misappropriated	60000.00	8520.00	0.00	51480.00
2	SID951375295961	SHIVRATI	Collection Amount Misappropriated	8520.00	0.00	0.00	8520.00
3	SID951373070337	SHEKH AFROJ	Advance Collection Amount Misappropriated	4260.00	0.00	0.00	4260.00
4	SID2125224595	BHARTI CHOUHAN	Collection Amount Misappropriated	4270.00	0.00	0.00	4270.00
5	SID2125224595	DURGA RATHORE	Collection Amount Misappropriated	27000.00	0.00	0.00	27000.00
6	SID951373751130	KAVITA	Collection Amount Misappropriated	3900.00	0.00	0.00	3900.00
7	CID219301307	FULA CHOUHAN	Collection Amount Misappropriated	4500.00	0.00	0.00	4500.00
8	CID219301307	FULA CHOUHAN	Pre-Closure Amount Misappropriated	4500.00	0.00	0.00	4500.00
9	SID951374246646	KAVITA UIKEY	Collection Amount Misappropriated	12660.00	0.00	0.00	12660.00
10	SSF3112997	MANISHA	Collection Amount Misappropriated	2780.00	0.00	0.00	2780.00
11	SID951375922306	JYOTI PAWAR	Collection Amount Misappropriated	5380.00	0.00	0.00	5380.00
Total				1,37,770	8,520	0	1,29,250

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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.

Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Arvind Kachhawe/SF0021927/Business/CM
2	Date of event exposed	28-Aug-2025
3	Name/ID/Designation of the Fraudulent Staff	Nitin Nikhade/SF0047812/Customer Retention Associate
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

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Details of involved staff

Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL (DD/MMM/YY)	DOJ in Branch (DD/MMM/YY)
1	Nitin Nikhade	SF0047812	Customer Retention Associate	19-Dec-19	01-Aug-24

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: 13-Sep-2025