

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

| Branch Code | Branch Name | Cluster | Area | Region | State | Zone |
|--|--------------------------------|----------------------------|---|--------------------------|----------------------------------|--------------------------|
| CHGL2194 | Baramkela | Sarangarh | Raipur | CH-1 | Chhattisgarh | 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 |
| Kalap Ram/SF0054742 | Amjit Bhardwaj/SF0050661 | Rajkumar_kaiwart/SF0039350 | Dhaneshwar Yadav/SF0022006 | Suresh Pradhan/SF0005800 | Deepenedra Shrivastava/SF0002115 | Shriraj Vedsen/SF0071741 |
| Date of Information Received (DD/MMM/YY) | | 22-Apr-2025 | Date of event/transactions occurred (From - To) (DD/MMM/YY) | | 02-Apr-2024 | 14-Apr-2025 |

| | |
|---|-------------------|
| Type of Incident (Fraud) | Fraud |
| Internal or External | Internal |
| No. of staff/persons involved: Fraud | 01 |
| Total Amount Involved (Rs.) | 2,51,014/- |

Describe how the incident has been exposed/identified:

During the cash load verification of earlier branch manager Sadanand Dadsena/SF0046415 on 22-Apr-2025 against complaint id (FN25-26-00171), internal audit executive Himanshu Tandan/SF0076519 visited the center and observed that earlier loan officer Rakesh Kumar Kaiwartya/SF0064088 had collected instalments amounting to Rs. 4270/from borrower RODNAVATI SIDAR (352721948) on 01-Aug-2024 but not accounted in FIMO.

On 22-Apr-2025, Exe IA Himanshu Tandan/SF0076519 informed the complaint team and registered a complaint against the loan officer Rakesh Kumar Kaiwartya/SF0064088 vide complaint number FN25-26-00326.

Brief Details of the incident:

Field Observation

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

- Loan officer Rakesh Kumar Kaiwartya/SF0064088 embezzled Rs. **2,51,014/-** from 17 borrowers' collection and Pre-closure collection but only Rs. 14,880/- were reported in FIMO as EMI.

We have collected evidence from all borrowers, i.e., Loan card and borrower statements and total of Rs. **2,51,014/-** affected.

Modus operandi

Staff conducted the center and collected the amount from borrowers but did not input it in FIMO from 02-Apr-2024 to 14-Apr-2025. The loan officer does not follow the day-wise collection and input process.

Fraud Amount –

A total Fraud of Rs. **2,51,014/-** was identified during the investigation. Out of that Rs. 14880/- recovered (accounted in FIMO as EMI) and now a total of Rs. 2,36,134/- are yet to be recovered from all the alleged staff.

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Staff fraudulent transaction details as mentioned below.

| Fraudulent Staff Name (As per HR Records) | Fraudulent Staff Emp ID | Advance Amount | Collection Amount | Pre-Closure Amount | Total Fraud Amount | Recovery Amount | Net Fraud Amount |
|--|-------------------------|----------------|-------------------|--------------------|--------------------|-----------------|------------------|
| Rakesh kumar Kaiwartya | SF0064088 | 0.00 | 228351.00 | 22663.00 | 251014.00 | 14880.00 | 236134.00 |

Staff Status –

- Loan officer Rakesh kumar Kaiwartya/SF0064088 Terminated on 22-Apr-2025.

Details of Process & Policy Lapses:

- Instalment had been collected but not input 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
- Borrower's Statement

| Sl. NO. | Check list | Particulars |
|---------|---|---|
| 1 | Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned | Himanshu Tandan/SF0076519/Audit Executive/Internal Audit |
| 2 | Date of event exposed | 22-Apr-2025 |
| 3 | Name/ID/Designation of the Fraudulent Staff | Rakesh Kumar Kaiwartya/SF0064088/ Loan officer |
| 4 | Whether it is in the notice of BM/BQM/CM/AVP/VP/SVP & HR (Yes/No) | NO |
| 5 | If yes, mention the Action initiated by BM/BQM/CM/AVP/VP/SVP | NA |
| 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) | 08 |
| 8 | Is there any disciplinary action taken by HR in his/her past tenure. | F2324-09043/ Closed with Warning Letter F2425-02194/ Closed - with Termination |
| 9 | Whether internal audit was conducted at the branch during occurrence of the fraud (Yes/No/NA) | YES |
| 10 | If yes, whether internal audit has detected the fraud (Yes/No/NA) | YES |

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|----|--|----|
| 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) | 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 | Rakesh Kumar Kaiwartya | SF0064088 | Loan officer | 21-Feb-22 | 21-Feb-22 |

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 : 12-May-2025