

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
BH3645	Rajepur	Sheohar	Sitamarhi	Muzaffarpur	BIHAR-1	NORTH
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
Chandan Kumar / SF0087814	NA	Vikash Sahani / SF0044443	Vijay Kumar Sonkar / SF0072425	Vidya Bhushan Dubey/SF0024851	Alok Kumar Raju / SF0091403	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		16-04-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		08-09-2024	08-01-2025

Type of Incident (Fraud/Robbery/Theft)	Fraud
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	3
Total Amount Involved (Rs.)	150940

Describe how the incident has been exposed/identified:

- LO Avinash Kumar / SF0082749 went away from the branch without information to anyone on 25-01-2025. After that from the branch side absconding shown on System & LO Manish Kumar / SF0085933 went away from the branch by giving resign and done his intimation period till on 25-12-2024.
- The business team raised a complaint on 16-04-2025 against LO Avinash Kumar / SF0082749, Manish Kumar / SF0094823 & Manish Kumar / SF0085933 that staff had collected the Collection amount, Advance Collection & Pre-close amount from the borrowers, but the same amount was not accounted for in the FIMO and not deposited the borrower's collection amount in the Branch.
- Complaint registered on 02-05-2025 of embezzled the cash from borrowers but not accounted in the FIMO.
- Complaint no: **FN25-26-00456**
FN25-26-00457.
FN25-26-00458

Brief Details of the incident:

Investigation Approach: -

- The internal audit team had verified **556 (269-Visit & 287-Through calling Verification)** borrowers in the field, where LO **Avinash Kumar / SF0082749** collected the installment amount from the **24** borrowers of **Rs.81540** ,**Manish Kumar / SF0094823** collected the instalments amount of 2 borrowers of Rs.8960 which was recovered in FIMO & LO **Manish Kumar / SF0085933** collected the instalments amount from the 14 borrowers of **Rs.60440** but same was not accounted in the FIMO.

Modus operandi: -

- Fraud has been identified by business team on 16-04-2025 against LO Avinash Kumar /SF0082749, Manish Kumar/SF0094823 & Manish Kumar / SF0085933.

Spandana Sphoorty Financial Ltd.
Internal Audit Department



- Complain team raised complaints on 02-05-2025 vide complain number **FN25-26-00456, FN25-26-00457 & FN25-26-00458** respectively.
- At the time of Complain raised 2 borrower was affected of Rs.6400, Rs.10880 & Rs.12530.
- LO Avinash Kumar last working day from the branch was 25-01-2025. Manish Kumar/SF0085933 last working Date 25-12-2024.
- After verification done by Audit team out of 556 borrowers (269 borrowers physical verified & 287 verified through telecall) **40** borrowers were affected of **Rs.1,50,940**.

The Internal audit team investigated by visiting all the 556 borrowers handled by the loan officer and these Borrowers are Standard borrowers and OD borrowers.

- Post verification, it was observed that a total of 556 borrowers visited, out of that 40 borrowers' **Collection EMI & Pre-closure amount** collected from the borrower, but he was not accounted for that amount in the FIMO amounting to **Rs. 150940 /- (One Lacs Fifty thousand-nine Hundred and forty only)**.

Details of Process & Policy Lapses:

- Standard collection Policy Lapses.
- Advance collection Policy Lapses
- Pre-closure Amount Policy Lapses

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

- Fraud Investigation Report
- Customer wise Loan Sub – Ledger, Loan Card and Digital payment receipt.
- Customer Loan Card

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	Chandan Kumar / SF0087814/BM/Business /Many centers.
2	Date of event exposed	16-04-2025
3	Name/ID/Designation of the Fraudulent Staff	Avinash Kumar, Manish Kumar & Md Sabre Alam / SF0082749, SF0094823 & SF0085933 / 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	Complaint Raised
6	No. of thefts/robberies happened in this branch for the past 12 months (excluding this)	NA
7	No. of staff frauds happened in this branch for the past 12 months (excluding this)	3
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)	NA
10	If yes, whether an internal audit has detected the fraud (Yes/No/NA)	NA
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)	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)	Date Of Exit (DD/MMM/YY)
1	Avinash Kumar	SF0082749	LO	19-02-2024	19-02-2024	25-01-2025
2	Manish Kumar	SF0094823	LO	27-11-2024	27-11-2024	NA
3	Manish Kumar	SF0085933	LO	11-06-2024	16-07-2024	25-12-2024

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 : 20 /May/2025