

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



**Fraud Investigation Report**

**Branch Details:**

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
BH2907	Kotwa (Sangrampur)	Kotwa	Kotwa	Motihari	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
Mithilesh Kumar / SF0049791	OM Prakash Ram / SF0058558	Amit Kumar /SF0079830	Baban Kumar Ram/SF0064392	Rakesh Kumar Singh/0007606	Alok Kumar Raju/SF0091403	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		09-06-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		06-11-2024	11-06-2025

<b>Type of Incident (Fraud/Robbery/Theft)</b>	<b>Fraud</b>
<b>Internal or External</b>	<b>Internal</b>
<b>No. of staff/persons involved: Fraud/Robbery/Theft</b>	<b>2</b>
<b>Total Amount Involved (Rs.)</b>	<b>625676</b>

**Describe how the incident has been exposed/identified:**

- Associate Vice President Baban Kumar Ram / SF0064392 raised complain to complain team on 09-06-2025 against Mukesh Mandal (BM) / SF0049683.  
And BM Mithilesh Kumar / SF0049791 raised complaints to Complain team on 05-07-2025 against LO Afajal Ali/SF0089290.
- After that the complaint team made a complaint on 10 June'25 against BM Mukesh Mandal / SF0049683 and on 11-07-2025 complain has been lodged by the complaint team against LO Aafjal Ali / SF0089290. They all collected the pre-closure amounts & Collection amount and for the same amount not accounted in the FIMO also they did not deposit the borrower's collection amount in the Branch.
- Complaint No –  

<b>FN25-26-00988</b>	<b>- Mukesh Kumar Mandal</b>	<b>- SF0049683</b>	<b>- BM</b>	<b>- 608436</b>
<b>FN25-26-01335</b>	<b>- Afajal Ali</b>	<b>- SF0089290</b>	<b>- LO</b>	<b>- 17240</b>

**#-Investigation Approach: -**

- The internal audit team had verified a total of 108 borrowers in the field, where both LO & BM collected the EMI misappropriation, Advance collection misappropriation & Preclosure amount of 35 borrowers of Rs 108260/- but same was not accounted in the FIMO. And cash Siphoned from branch by BM Mukesh Kumar Mandal of Rs.517416. So total Fraud was Rs.625676.

**#-Modus operandi**

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**1. Mukesh Mandal/SF0049683: -**

- Fraud has been identified by business team on 09-06-2025 against Bm Mukesh Mandal / SF0049683.
- Complaint has been lodged by the complaint team on 12-06-2025 vide complain Number-FN25-26-00988 for cash taken from branch locker.
- At the time of complaint lodged 26 borrowers were affected by Rs.82460 And shortage of cash in branch of Rs.517416.
- After verification was done by the Audit Team out of 29 borrowers, 29 borrowers were affected by Rs. 91020.Total Fraud was Rs.608436.

**2. Afajal Ali /SF0089290: -**

- Fraud has been Identified by business team on 11-07-2025 against LO Afajal Ali/SF0089290.
- Complaint Has been Raised by Business team on 11-07-2025 vide complain Number. FN25-26-01335.
- At the time of complaint lodged 1 borrower was affected by Rs.2400.
- After verification done by the Audit Team out of 78 borrowers, 6 borrowers were affected by Rs.17240.

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

- Post verification, it was observed that a total of **107** borrowers visited, out of that **35** borrower of **Rs.625676/-** from the borrower but he was not accounted for that amount in the FIMO amounting to **Rs. 6,25,676 /- (Six Lakh Twenty-Five Thousand Six Hundred and seventy-six only).**

**Details of Process & Policy Lapses:**

- Standard collection collected.
- Preclosure amount collected.
- Advance amount collected.

**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

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Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Baban Kumar Ram /SF0064392/AVP/Business /Many Centres.
2	Date of event exposed	9 <sup>th</sup> June 2025
3	Name/ID/Designation of the Fraudulent Staff	Mukesh Kumar Mandal / SF0049683 /BM & Afajal Ali / SF0089290 /LO
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)	6
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.	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 not, 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	Mukesh Kumar Mandal	SF0049683	BM	29-02-2020	08-02-2024	09-06-2025
2	Afajal Ali	SF0089290	LO	12-08-2024	11-08-2024	22-05-2025

**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.**

**Date : 23-Jul-2025**