

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
BH3626	Mahua Bazar	Saharsa	Begusarai	Darbhanga	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
Sudhanshu Kumar Ranjan / SF0091176	Rajan Kumar/SF0070298	Niranjan Kumar/SF0089780	Niraj Kumar / SF0080048	Shankarjee Singh / SF0092430	Alok Kumar Raju / SF0091403	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		21-01-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		05-03-2025	05-04-2025

Type of Incident (Fraud/Robbery/Theft)	Fraud
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	1
Total Amount Involved (Rs.)	134754

Describe how the incident has been exposed/identified:

- Bm Rakesh Kumar / SF0089776 went away from the branch without information on 22-04-2025.
- The business team raised complaints on 16-04-2025 against BM Rakesh Kumar regarding cash shortage at branch Locker of Rs.95946.
- On 21/04/2025 again raised a complaint regarding preclosed fraud done by BM of Rs.15090 that the BM Rakesh Kumar had collected the Preclosed 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.
- On 21-04-2025, 2 preclosed were also done by BM Rakesh Kumar, but that preclosed amount was not given to branch staff or BQM and BQM Rajan Kumar / SF0077298 has authenticated it and done the EOD.
- Complaint registered on 22-04-2025 of embezzling the cash from borrowers but not accounted in the FIMO.
- Complaint no – **FN25-26-00309**.

Brief Details of the incident:

Investigation Approach: -

- The internal audit team had verified **14** borrowers in the field, where BM **Rakesh Kumar / SF0089776** collected the Preclosed amount from the **3** borrowers of **Rs.37090** and Rs 9040 posted in FIMO, and the rest amount was not accounted in the FIMO. And the total cash shortage at branch of Rs.**106704**. **Total Fraud Rs.134754**.

Modus operandi: -

- Fraud has been identified by business team on 21-04-2025 against BM Rakesh Kumar/SF0089776.**
- Complain has been registered by Complain team on 22-04-2025 vide complain number - FN25-26-00309.**
- BM Rakesh Kumar absconded from branch on 22-04-2025.**
- At the time of complaint raised 1 borrower was affected by Rs.15090.**
- After verification done by an audit team out of 14 borrowers, 3 borrowers were affected by Rs.37090.**

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- After physical cash verification done by Audit team total Rs.106704 was short at branch safe locker.

The Internal audit team investigated by visiting the 14 borrowers handled by the loan officer and these Borrowers are Standard borrowers and OD borrowers.

- Post verification, it was observed that a total of 14 borrowers visited, out of that 3 borrowers' **Collection EMI** collected from the borrower, but he was not accounted for that amount in the FIMO amounting to **Rs. 1,34,754 /- (One Lacks Thirty-Four Thousand Seven hundred and fifty-four only)**.

- BM Rakesh Kumar / SF0089776 had collected the preclosed amount and Cash shortage at branch safe locker. Total affected amount of Rs. 1,34,754/-. And affected borrower 3.

Details of Process & Policy Lapses:

- Standard collection Policy Lapses.
- Preclosed collection policy lapses.
- Od collection policy lapses.
- BQM work 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
- Key Register.

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Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Niraj Kumar /SF0080048/AVP/Business /Many centers.
2	Date of event exposed	16-04-2025
3	Name/ID/Designation of the Fraudulent Staff	Rakesh Kumar / SF0089776 / BM
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)	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 internal audit has detected the fraud (Yes/No/NA)	NA
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)	Date Of Exit (DD/MMM/YY)
1	Rakesh Kumar	SF0089776	BM	26-08-2024	26-08-2024	22-04-2025

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 : 28- April-2025