

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



Fraud Investigation Report

Branch Details:			No. of Staff/Persons involved: Fraud/Robbery/Theft				1
Branch Code	Branch Name	Cluster	Area	Region	State	Zone	
Description of the incident that has been exposed/identified:			Azamgarh	Varanasi	Uttar Pradesh	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	
was raised by vide no S. FN25-26-00387	Sushil Kumar Yadav / SF0079852 / SF0071938	Yaseem Ahamad / SF0071960	Rai /SF0081396	SF0074699	SF0071928	SF0068487	
Date of Information Received (DD/MM/YY)		21 st Apr 2025	Date of event/transactions occurred (From-To) (DD/MM/YY)		25 th Jul 2024	29 th Mar 2025	

on the basis of a complaint was registered based on the collected evidence on their names observed that B

misappropriation amount misappropriation of multiple borrowers from multiple centers of a total **Rs. 358011/-** and only **Rs.126120/-** posted in FIMO into their account. Rest of **Rs. 231891/-** pending to recover from delinquent employee. Currently BQM Rahul Kumar/ SF0074665 was Suspended **on date- 3rd May 2025.**

Brief Details of the incident:

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Investigation Approach:

The audit team visited all the borrowers handled by the BQM to check the availability of the borrower and found that the amount collected was not accounted for.

Modus Operandi:

Investigation was conducted by Internal audit team during the months from May`25 covering the total 198 borrowers Which were handled by the BQM have committed fraud by collected Pre-closure amount but not updated to concerned borrower accounts & embezzled the same.

The Internal audit team investigated by visiting all the 198 borrowers.

Post verification, it was observed that of the total 198 borrowers visited.

1. **Pre-closure** amount from 11 borrowers **Rs 209011 (Rupees Two Lakh Nine thousand eleven.)**
2. Collected **Physical cash misappropriation** amount from **Rs. 149000 (Rupees One Lakh Forty-nine thousand.)**

The total fraud inclusive amount of all the borrowers is Rs 358011 (Rupees Three Lakh Fifty eighty thousand eleven).

The details of the Physical cash misappropriation and Pre-close amounts collected by the loan officers of the 11 borrowers mentioned above are given below:

Collection & Pre-closure (Total Fraud Amount):

Sr.no	Type of Fraud	Affected Borrower	Amount Collected	Amount Recovered & Accounted in FIMO
			(Gross Fraud)	
1	Physical Cash Misappropriation	0	149000	0
2	Pre-Closure Amount	11	209011	126120
	Grand Total	11	358011	126120

Borrower wise details and summary are mentioned below:

Pre-closure amount collected from borrower, but entry not posted in FIMO It was observed that LO collected pre-closure amount, but entry not posted in FIMO of 11 borrowers amounting Rs. 209011/- through cash. For evidence borrower given their written statement.

Sr. No.	Fraudulent Staff Name	Fraudulent Staff Emp. ID	Fraudulent Staff Designation	Borrower Name	Loan ID	Amount Collected	Amount Recovered & Accounted in FIMO	Difference Amount
1	Rahul Kumar	SF0074665	BQM	NISHA KUMARI	355637587	18500	8040	10460
2	Rahul Kumar	SF0074665	BQM	SUPRIYA PANDEY	355433802	26100	16640	9460
3	Rahul Kumar	SF0074665	BQM	BANDANA DEVI	354410363	13200	9380	3820
4	Rahul	SF007466	BQM	USHA DEVI	355851950	17200	9920	7280

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	Kumar	5						
5	Rahul Kumar	SF0074665	BQM	SADHA	356296365	10640	1440	9200
6	Rahul Kumar	SF0074665	BQM	CHANDRAKAL A	357645805	7960	5100	2860
7	Rahul Kumar	SF0074665	BQM	SEEMA	356074817	36900	28080	8820
8	Rahul Kumar	SF0074665	BQM	ANTIMA SINGH	356099909	37011	28080	8931
9	Rahul Kumar	SF0074665	BQM	SHANTI DEVI	355810392	15500	4320	11180
10	Rahul Kumar	SF0074665	BQM	ANJANA SINGH	354747375	15000	9360	5640
11	Rahul Kumar	SF0074665	BQM	RITA DEVI	354576675	11000	5760	5240
Total						209011	126120	82891

Physical cash misappropriation - BQM Rahul Kumar went to the bank on 18th-April-25 to deposit 199000 rupees but did not return it. He went home from there. On Monday, when BM Mangal Pandey called, he returned 50000 rupees online date 21st April 2025, and he still has 149000 rupees.

Details of involved staff

Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch	DOE in Exit
				(DD/MMM/YY)	(DD/MMM/YY)	(DD/MMM/YY)
1	Rahul Kumar	SF0074665	BQM	12-07-2023	12-07-2023	21-04-2025

Sl. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Mangal Pandey/ SF0079852 / Branch Manager/Business Team
2	Date of event exposed	21 st -Apr-2025
3	Name/ID/Designation of the Fraudulent Staff	Rahul Kumar/SF0074665/BQM
4	Whether it is in the notice of BM/BQM/CM/AVP/VP/SVP & HR (Yes/No)	Yes (All Branch Management staff and HR)
5	If yes, mention the Action initiated by BM/BQM/CM/AVP/VP/SVP	Yes
6	No. of thefts/robberies happened in this branch for the past 12 months (excluding this)	NA

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7	No. of staff frauds happened in this branch for the past 12 months (excluding this)	2
8	Is there any disciplinary action taken by HR in his/her past tenure?	NA
9	Whether an internal audit was conducted at the branch during the occurrence of the fraud (Yes/No/NA)	Yes
10	If yes, whether an internal audit has detected the fraud (Yes/No/NA)	No
11	If No, why the fraud was not detected/informed during such an audit?	Internal Audit conducts field visits on a sample basis, these borrowers were not part of the internal audit sample.
12	Is there any investigation conducted & reported after detection by other departments (Yes/No/NA)	Yes
13	If yes, mention the departments that conducted and reported.	Internal Audit

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 Team.

Date: - 19th May 2025