

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

Fraud Investigation Report

Branch Details: -

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
KA1606	Periyapatna	Periyapatna	Mysuru	Mysuru	Karnataka	South
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
Dinesha T/SF0034029	Harshan B N /SF0098032	Pramod H V/SF0097552	Rajgonda Vithalgonda /SF0076438	Somashekhar Hanamantaraya/ SF0011284	Mahesh Halemane/ SF0067849	Narayana reddy/ SF0084396
Date of Information Received (DD/MM/YY)		29-04-25	Date of event/transactions occurred (From-To) (DD/MM/YY)		07-03-25	10-05-25

Type of Incident (Fraud/Robbery/Theft)

Internal or External	Fraud
No. of staff/persons involved: Fraud/Robbery/Theft	Internal
Total Amount Involved (Rs.)	1
	Rs.1,23,139/-

Describe how the incident has been exposed/identified:

During tele calling, BQM Harshan B N/SF0098032 identified EMI Misappropriation on 29-04-2025 of Rs.3,470/- of staffs EMI misappropriation by loan officer Prasanna M R/ SF0076893 and complaint was registered on 30-04-2025.

Based on the identified instances, a complaint was registered against the concerned Loan officers and planned for caseload verification concerned Loan officer

Brief Details of the incident:

Based on the registered complaint, the Internal audit team conducted a field investigation from 12-05-2025 to 16-05-2025 and during the investigation, loan officer were found involved in EMI collection amount misappropriation for a total of 35 borrowers in all cases, the branch staffs EMI collected amount and Pre closed amount through digital payment and by cash but not posted into FIMO and even not deposited at branch and same was misappropriated by them. Based on the evidence, loan officer had embezzled an 35 Borrowers EMI misappropriation Staff wise details as here under:

1. Loan officer Prasanna M R/ SF0076893/embezzled Rs.1,23,139/- Recovery Rs.00/- Balance Rs.1,23,139/ (35 borrower EMI misappropriation) the amount needed to collect from the staff.

Out of the total fraud amount of Rs.1,23,139/-, as of the field investigation date, the total recovered amount Rs.00/- and pending Rs.1,23,139/-,

Details of IA physical cash verification as below:

- Fraudulent Staff working status as hereunder,
 - I. Loan officer Prasanna M R/ SF0076893 – Available

Details of Process & Policy Lapses:

1. The collection and FIMO input process was not followed.
2. Collection amount collected digitally to staff's personal bank account.
3. AVP's monitoring failure for delinquent accounts

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

1. Fraud Investigation Report (Excel).
 - a. Affected borrower details.
 - b. Borrower-wise visit details.
2. Borrower Loan Cards.
3. Center Meeting Register
4. Borrower written statement.

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Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Center to be Mentioned	Harshan B N/BQM/Business/ SF0098032/
2	Date of event exposed	29/04/2025
3	Name/ID/Designation of the Fraudulent Staff	1. Loan officer Prasanna M R/ SF0076893/
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	No
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)	0
8	Is there any disciplinary action taken by HR in his/her past tenure?	No
9	Whether an internal audit was conducted at the branch during the occurrence of the fraud (Yes/No/NA)	No
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 an audit?	NA
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

Details of involved staff

Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL (DD/MMM/YY)	DOJ in Branch (DD/MMM/YY)
1	Prasanna M R	SF0076893	Loan officer		

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: 20th May 2025

