

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
AP4033	Undavalli	Mangalagiri	Mangalagiri	Vatluru	Andhra Pradesh	South-2
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
B. VENKATA SAI RAM/SF0057386	Gollamadala Prasannakumar /SF0088031	Kalabathula Sudheerba bu/SF0067711	U.Sambaiah/SF0082197	B. Nageshwara Rao/SF0070812	Arun Kumar.A/ CFL0004261	Deepak Varma/SF0066880
Date of Information Received (DD/MMM/YY)		06-May-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		05-Nov-24	17-Jan-25

Type of Incident (Fraud/Robbery/Theft)	Fraud
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	1
Total Amount Involved (Rs.)	1,31,870/-

Describe how the incident has been exposed/identified:

Internal Audit team has identified fraud during the ongoing fraud investigation in the branch on loan officer Guggulothu Narasimha Nayak (SF0089446). He has collected Pre closure amounts and EMI collection amounts from borrowers and did not hand over the collected amount at the branch. The internal audit team has raised a complaint on 06thth May 2025 and the complaint was registered on 07-May-25 date with vide complaint number FN25-26-00517.

Brief Details of the incident:

Investigation Approach:

The audit team visited the branch to verify further the identified frauds, which were committed by Guggulothu Narasimha Nayak, the loan officer, to check whether the EMI amount collected was accounted for.

Modus Operandi:

The loan officer embezzled the collection amounts from borrowers during the collection in the field.

The internal audit team investigated the branch, and the amounts of embezzled funds are given below.

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S.No	Name of the Staff Involved	Employee Code	Employee Designation	Total Fraud Amount	Recovered Amount	Net Fraud Amount
				(Post Investigation)		
1	Guggulothu Narasimha Nayak	SF0089446	Loan Officer	131870	17680	114190

Details of Process & Policy Lapses:

- Cluster Manager monitoring lapses.
- AVP & VP monitoring lapses.

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

Borrowers' Loan Cards.
Borrowers' sub-ledger account statement.

SI. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Internal Audit Team
2	Date of event exposed	06-May-25
3	Name/ID/Designation of the Fraudulent Staff	Guggulothu Narasimha Nayak SF0089446 LO
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	NA
6	No. of frauds/ thefts/robberies that 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 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)	No

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11	If not, why the fraud was not detected/informed during such an audit.	Related centres/borrowers were not covered under the sample selected during the occurrence of the fraud.
12	Is there any investigation conducted & reported after detection by other departments (Yes/No/NA)	No
13	If yes, mention the departments who conducted and reported.	NA

Details of the involved staff					
Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch
				(DD/MMM/YY)	(DD/MMM/YY)
1	Guggulothu Narasimha Nayak	SF0089446	Loan Officer	13-Aug-2024	

Note: The information and observations 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 and customers wherever applicable.

Report prepared by: Internal Audit.

Date: 27-May-2025