

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
MPGL1901	Khandwa-2	Khandwa	Khandwa	Indore	Madhya Pradesh	West
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
Anil Sharde/SF0034936	Mahesh Jhamre/SF0065087	Jitendra Singh Chouhan/SF0070838	Jitendra Vishvakarma/SF0010433	Zahid Ali/SF0022634	Keshav Nayak/SF0076561	Umesh Kumar/SF0088299
Date of Information Received (DD/MMM/YY)		3-Jul-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		03-Aug-2024	02-May-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.)	1,36,758/-

Describe how the incident has been exposed/identified:

- The Business Team has identified that Loan Officer Nitesh Verma/SF0058712 was involved in Pre-Closure Misappropriation by collecting Pre-Closure amount without updating the same to their accounts, have embezzled the same. Basis complaint was registered on their names vide no's: FN25-26-01228.

Brief Details of the incident:

Investigation Approach:

- The audit team visited the total of 422 borrowers handled by the Loan Officer Nitesh Verma/SF0058712 based on the lodged complaint.

Modus Operandi:

- Investigation was conducted by Internal audit team from 07-Jul-25 to 14-Jul-25 covering the total 422 borrowers which were handled by the Loan Officer Nitesh Verma/SF0058712 has committed fraud by collected Pre-Closure and EMIs but not updated to concerned borrower accounts & embezzled the same.

Post verification, it was observed that out of the total 422 borrowers visited, where 07 borrowers collected EMIs, & Pre-closure amount but not updated to concerned borrower accounts.

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Borrower wise details and summary are mentioned below:

Loan Officer Nitesh Verma/SF0058712 was found involved in collection & Pre-closure misappropriation (Collected EMIs and pre-closer but not posted to concerned borrower accounts) on the names of 07 borrowers amounting to Rs. 1,36,758/- based on the evidence available.

S r. N o.	Customer ID	Borrower Name	Type of Amount Collected (Drop Down)	Amount Collected (Gross Fraud)	Amount Recovered & Accounted in FIMO	Amount Recovered But "Not" Accounted in FIMO	Difference Amount (Net Fraud) (Formula)
1	CID190104941	DURGA BAI YADAV	Pre-Closure Amount Misappropriated	67808.00	42700.00	0.00	25108.00
2	SID951373093 640	SUMAN BAI	Collection Amount Misappropriated	12900.00	0.00	0.00	12900.00
3	CID190109736	SHOBHA BAI	Collection Amount Misappropriated	12900.00	0.00	0.00	12900.00
4	CID190103487	HANSAI BAI SINDHE	Collection Amount Misappropriated	12810.00	0.00	0.00	12810.00
5	CID190103484	REKHA BAI	Collection Amount Misappropriated	8540.00	4270.00	0.00	4270.00
6	CID190110849	ROSHNI	Collection Amount Misappropriated	12810.00	0.00	0.00	12810.00
7	CID190105109	SAVITRI CHANDEL	Collection Amount Misappropriated	8990.00	0.00	0.00	8990.00
			Total Amount	136758.00	46970.00	0.00	89788.00

Details of Process & Policy Lapses:

- 1) Collection tracking failure by BM and CM.
- 2) Monitoring failure by AVP, VP and SVP.
- 3) Not followed the pre-closure process as in most of the cases the pre-closure amount was collected in the field instead of the branch premises.
- 4) Not followed the JLG methodology as the loan officer collected the EMI from the individual clients instead of from all group borrowers at the place of center meeting on the basis of group guarantee and for the same proper monitoring was not conducted by the higher authority.

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

- (1) Fraud Investigation Report.
- (2) Borrower Loan Card and Sub Ledger.
- (3) Collection report

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Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Anil Sharde/SF0034936/BM/Business
2	Date of event exposed	3-Jul-2025
3	Name/ID/Designation of the Fraudulent Staff	Nitesh Verma/SF0058712/Loan Officer
4	Whether it is in the notice of BM/BQM/CM/AVP/VP/SVP & HR (Yes/No)	Yes (BM)
5	If yes, mention the Action initiated by BM/BQM/CM/AVP/VP/SVP	Raised the complaint to complaints team.
6	No. of thefts/robberies happened in this branch for the past 12 months (excluding this)	No
7	No. of staff frauds happened in this branch for the past 12 months (excluding this)	NO
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)	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 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)
1	Nitesh Verma	SF0058712	Loan Officer	22-Jun-21	29-Jun-23

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: 15-Jul-2025