

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud/Robbery/Theft Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
UP3557	Mehdawal	Basti	Basti	Gorakhpur	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
Ravi Srivastava/SF0088837	Krishnamohan Maurya/SF0097643	Neeraj kumar Tripathi/SF0078018	Dileep Singh/SF0075632	Nand Kishore Rai/SF0097965	Vipin Yadav/SF0071928	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		14-Apr-2025	Date of event/transactions occurred (From - To) (DD/MMM/YY)		07-Jan-2025	29-Mar-2025

Type of Incident (Fraud/Robbery/Theft)	Staff fraud
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	1
Total Amount Involved (Rs.)	123016/-

Describe how the incident has been exposed/identified:

During a branch visit, the Audit teams identified instances of fraud within the Microfinance Institution through careful monitoring and investigation. The fraud was detected by the operations department, who flagged the issue through process reviews and proactive risk management measures.

It was observed that the audit team identified fraudulent activities involving 1 staff member, **LO Princ Mani/SF0088920**

These staff members were found to have misappropriate details related to **Collection, and pre-closure Misappropriation** using the information for personal gain rather than properly posting it in the FIMO system. This unauthorized activity led to serious concerns regarding financial mismanagement and fraud.

Complaints were raised regarding these fraudulent activities on several occasions: **14-Apr-2025**

Based on the evidence provided by Bussiness teams, formal complaints were registered under the following complaint numbers: **LO Princ Mani/SF0088920/FN25-26-00174.**

These complaints reflect the ongoing investigation into the misappropriation of funds and the breach of institutional protocols.

Brief Details of the incident:

Investigation Approach:

The audit team undertook a field investigation, visiting a selected sample of borrowers managed by the following Staff and, **LO Princ Mani/SF0088920.**

The purpose of these visits was to verify the borrowers' status and ensure that payments made by the borrowers had been properly recorded. During the visits, the audit team uncovered a significant issue— the amounts collected from the borrowers were found to be missing or not properly documented in the financial records, indicating potential discrepancies in the accounting process or possible mismanagement. This raised concerns about the accuracy and integrity of the financial records related to these loans.

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Modus Operandi:

An investigation was conducted by the Internal Audit team during **28-Apr-2025 to 07-May-2025**, covering a total of 129 borrower loans handled by **LO Princ Mani/SF0088920**. The investigation revealed that these staff members had committed fraud by processing **Collection and pre-closure Misappropriation** but failed to update the borrowers' accounts in the FIMO system. Instead, they embezzled the collected funds for personal use.

To verify the allegations, the Internal Audit team conducted visits to all 129 borrowers' loans whose loans were managed by the identified staff members **LO Princ Mani/SF0088920** 25 borrower's loans had their **Loan Misappropriation**. Instead of properly posting the updates, the amounts collected from these borrowers were retained by LO for personal use, further confirming the fraudulent activity.

Borrower Wise details are mentioned Here :-

Collection and pre-closure Misappropriation Borrower Details are under here –

Sr. No.	Borrower Name	Loan ID	Misappropriated Staff Name/EMP ID	Fraudulent Staff Designation	Amount Collected (Gross Fraud)	Amount Recovered & Accounted in FIMO	Amount Recovered But "Not" Accounted in FIMO	Difference Amount (Net Fraud)
1	RITA DEVI	353268601	Princ Mani/SF0088920	Loan officer	2010	0	0	2010
2	NEELAM	353236178	Princ Mani/SF0088920	Loan officer	7840	0	0	7840
3	LILAVATI	353236560	Princ Mani/SF0088920	Loan officer	3131	0	0	3131
4	ANJANI DEVI	356570042	Princ Mani/SF0088920	Loan officer	2680	0	0	2680
5	NEELAM	355401048	Princ Mani/SF0088920	Loan officer	18000	8040	0	9960
6	JANKI	355893757	Princ Mani/SF0088920	Loan officer	2680	1340	0	1340
7	MISASHA	356302933	Princ Mani/SF0088920	Loan officer	2560	1280	0	1280
8	SARITA	357019345	Princ Mani/SF0088920	Loan officer	1920	960	0	960
9	JYOTI	355714841	Princ Mani/SF0088920	Loan officer	2880	720	0	2160
10	SHANTI DEVI	353176377	Princ Mani/SF0088920	Loan officer	2680	0	0	2680
11	MITHALAVATI	356635972	Princ Mani/SF0088920	Loan officer	4690	0	0	4690
12	MEERA	353634539	Princ Mani/SF0088920	Loan officer	8040	0	0	8040

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



13	MANISH A	35660454 1	Princ Mani/SF0088920	Loan officer	2240	1120	0	1120
14	ASHMA KHATUN	35452346 8	Princ Mani/SF0088920	Loan officer	9380	0	0	9380
15	SEEMA	35657931 4	Princ Mani/SF0088920	Loan officer	11360	0	0	11360
16	CHAND RAKALA	35474829 0	Princ Mani/SF0088920	Loan officer	2680	1340	0	1340
17	KAULES ARA DEVI	35508037 5	Princ Mani/SF0088920	Loan officer	2680	2010	0	670
18	mrs SONA	35700227 0	Princ Mani/SF0088920	Loan officer	2680	1340	0	1340
19	ASHA DEVI	35318761 8	Princ Mani/SF0088920	Loan officer	1043	0	0	1043
20	SARVDA	35531013 3	Princ Mani/SF0088920	Loan officer	2040	0	0	2040
21	SUMITR A DEVI	35601050 1	Princ Mani/SF0088920	Loan officer	1280	0	0	1280
22	PUNAM	35318778 3	Princ Mani/SF0088920	Loan officer	3885	0	0	3885
23	ARTI DEVI	35346783 4	Princ Mani/SF0088920	Loan officer	4020	0	0	4020
24	RINA DEVI	35352712 0	Princ Mani/SF0088920	Loan officer	5360	0	0	5360
25	JANKI	35345890 0	Princ Mani/SF0088920	Loan officer	15257	2280	0	12977

The total amount involved in the fraud, affecting all the borrowers, is Rs.123016 /- (One lakh twenty three thousand sixteen Rupees Only).

This amount represents the funds that were misappropriated by the staff members involved. The funds were collected from the borrowers but were not properly updated in the borrowers' accounts in the FIMO system. Instead, these funds were embezzled by the staff for personal use, leading to significant discrepancies in the financial records.

Sr. No.	Fradulent Staff Name (As per HR Records)	Fradulent Staff Emp ID	Fraudulent Staff Designation (As per HR Records)	Total Fraud Amount (Formula)	Recovery Amount (If Any)	Net Fraud Amount (Formula)
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Spandana Sphoorty Financial Ltd.
Internal Audit Department



1	Princ Mani	SF0088920	Loan officer	123016.0 0	20430.00	102586.0 0
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Details of Process & Policy Lapses:

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

Sl. NO.	Check list	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Ravi Srivastava/SF0088837/Branch Manager/Ops
2	Date of event exposed	10-Apr-2025
3	Name/ID/Designation of the Fraudulent Staff	Princ Mani/SF0088920/Loan officer
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)	No
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

Spandana Sphoorty Financial Ltd.
Internal Audit Department



9	Whether internal audit was conducted at the branch during occurrence of the fraud (Yes/No/NA)	Yes
10	If yes, whether internal audit has detected the fraud (Yes/No/NA)	Yes
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)	DOJ in Exit (DD/MMM/YY)
1.	Princ Mani	SF0088920	Loan officer	05-Aug-2024	05-Aug-2024	29-Mar-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 : 9th May 2025