

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
APILO377	Kadapa-3	Kadapa	Kadapa	Ongole	AP&TS	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
Shaik Shashavali/SF0062693	Pennekanti Bala Brahmam/SF0052361	Sivakrishna Ramatheertham/SF0037444	Shaik.shashavali/SF0010727	Maahaboob Subhani Shaik/SF0075598	Arun Kumar.A/SF0100389	Narayana Reddy Pullalacheruvu/SF0084396
Date of Information Received (DD/MMM/YY)		05-Sep-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		08-Jun-24	05-Sep-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.)	3,61,542/-

Describe how the incident has been exposed/identified:

Internal Audit team identified Collection amount misappropriation in the branch for which the branch Credit Assistant Babu Nalla / SF0083862 collected EMI & Pre closures collections from borrowers and did not hand over the collected amount at the branch. The Internal Audit raised a complaint on 05th Sep 2025, and the complaint was registered on 05th Sep 2025 with vide complaint number FN25-26-02107.

Brief Details of the incident:

Investigation Approach:

The audit team visited the branch to further verify the complaint. The collection misappropriation was identified, which was done by the branch Credit Assistant Babu Nalla to check that the collected amount was not accounted for.

Modus Operandi:

The branch Credit Assistant Babu Nalla embezzled the collection amounts from borrowers during the collection from the field.

The internal audit team investigated the branch and visited the field, and verified 75 borrowers who were under the Credit Assistant. The amounts of embezzled fraud collection are given below.

Spandana Sphoorty Financial Ltd.
Internal Audit Department



S.No	Name of the Staff Involved	Employee Code	Employee Designation	Total Fraud Amount	Recovered Amount	Net Fraud Amount
				(Post Investigation)		
1	Babu Nalla	SF0083862	Credit Assistant	361542.00	2950.00	358592.00

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
2	Date of event exposed	05-Sep-25
3	Name/ID/Designation of the Fraudulent Staff	Babu Nalla / SF0083862/ Credit Assistant
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

Spandana Sphoorty Financial Ltd.
Internal Audit Department



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/MM M/YY)
1	Babu Nalla	SF0083862	Credit Assistant	01-Apr-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: 30-Sep-2025