

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
AP3913	Pithapuram-7	Pithapuram	Tuni	Vizag	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
Gullapudi Satyanarayana/SF0069473	Godugu Anil Kumar/SF0086655	Chittimuri Sekhar/SF0015490	Nagaraju Vedula/SF0081143	Krishna Chaitanya Varma Rudraraju/SF0055024	Arun Kumar.A/CFL0004261	Deepak Varma/SF0066880
Date of Information Received (DD/MMM/YY)		02-May-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		04-Apr-24	25-Apr-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.)	3,07,310/-

Describe how the incident has been exposed/identified:

The branch manager Gullapudi Satyanarayana (SF0069473) identified in the branch that EMI embezzled by loan officer Kovvali Vijaya Raju SF0034111 collected EMI & disbursed amount recollected all the amount from borrowers and did not hand over the collected amount at the branch. Branch manager raised a complaint on 02nd May 2025 and the complaint was registered on 03rd May 2025 with vide complaint number FN25-26-00476.

Brief Details of the incident:

Investigation Approach:

The audit team visited all the borrowers handled by loan officer Kovvali Vijaya Raju SF0034111 to check their availability and the amount collected was not accounted for.

Modus Operandi:

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

The internal audit team investigated by visiting all 248 borrowers handled by the loan officers. The amounts of embezzled fraud collection are given below.

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Sr. No.	Loan officer name	Employee Code	Type of fraud	Borrowers Verified	No. of Borrowers Affected	Total Fraud Amount
1	Kovvali Vijaya Raju	SF0034111	Collection Misappropriation	248	48	307310

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.

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Sl. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Gullapudi Satyanarayana/SF0069473/BM
2	Date of event exposed	02-May-25
3	Name/ID/Designation of the Fraudulent Staff	Kovvali Vijaya Raju SF0034111 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
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

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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	Kovvali Vijaya Raju	SF0034111	Loan officer	15-Feb-2021	15-Feb-2021

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: 28-May-2025