

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
AP1161	Kothacheruvu	Kadiri	Kadiri	Ananthapur	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
NA	Sai Kiran Vaddi/SF007798 1	Penugondla Shekar/SF0042521	Byagari Mogulaiah/SF009809 2	Vijay Kumar Jallu / SF0084844	Arun Kumar.A/ CFL0004261	Deepak Varma/SF006688 0
Date of Information Received (DD/MMM/YY)		25-Mar-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		09-Aug-24	10-Apr-25
Type of Incident (Fraud/Robbery/Theft)			Fraud			
Internal or External			Internal			
No. of staff/persons involved: Fraud/Robbery/Theft			7			
Total Amount Involved (Rs.)			2,39,521/-			

Describe how the incident has been exposed/identified:

The Cluster Manager U. Sudhakar (SF0040847) has identified in the branch that EMI embezzled by loan officers Vishnuvardhan Harijana SF0066753, Amarnath Kothakota SF0089642, R Siva Prasad SF0092119, Durga Prasad Mula Mallikarjuna SF0086790 , Kuruba Gorla Nagesh SF0094664, Suddula Ravikumar SF0096778 & Branch Manager Peddajagadish Kuruva SF0046330 collected EMI Collections & Pre closure amounts from borrowers and did not hand over the collected amount at the branch. During fraud investigation, the Internal Audit team also identified collection misappropriation done by the branch staff and hence CM and the Internal Audit raised a complaint on 25th March 2025, 26th March 2025, 08th April 2025 , 14th April 2025, & 15th April 2025 and the complaints were registered on the above-mentioned dates with vide complaint numbers - F2425-03297, F2425-03320, FN25-26-00106, FN25-26-00107, FN25-26-00194, FN25-26-00210,& FN25-26-00211.

Brief Details of the Incident:

Investigation Approach:

The audit team visited all the borrowers handled by loan officers Vishnuvardhan Harijana SF0066753, Amarnath Kothakota SF0089642, R Siva Prasad SF0092119, Durga Prasad Mula Mallikarjuna SF0086790, Kuruba Gorla Nagesh SF0094664, Suddula Ravikumar SF0096778 & Branch Manager Peddajagadish Kuruva SF0046330 to check their availability and the amount collected was not accounted for.

Modus Operandi:

The loan officers embezzled the collection amounts from borrowers during the collection from the field.

The internal audit team investigated by visiting all 1,271 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	Vishnuvardhan Harijana	SF0066 753	Collection Misappropriation & Pre-closure amount Misappropriation	324	6	82071.00
2	Peddajagadish Kuruva	SF0046 330	Collection Misappropriation	177	10	44930.00
3	Amarnath Kothakota	SF0089 642	Collection Misappropriation	91	12	42060.00
4	R Siva Prasad	SF0092 119	Collection Misappropriation	60	10	30420.00
5	Durga Prasad Mula Mallikarjuna	SF0086 790	Collection Misappropriation	340	17	53200.00
6	Kuruba Gorla Nagesh	SF0094 664	Collection Misappropriation	201	2	10020.00
7	Suddula Ravikumar	SF0096 778	Collection Misappropriation	78	1	2780.00

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.

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Sl. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	U. Sudhakar Uppara/ SF0040847/CM/ Branch Operations & Internal Audit Team
2	Date of event exposed	25-Mar-25
3	Name/ID/Designation of the Fraudulent Staff	Vishnuvardhan Harijana SF0066753 LO Amarnath Kothakota SF0089642 LO R Siva Prasad SF0092119 LO Durga Prasad Mula Mallikarjuna SF0086790 LO Kuruba Gorla Nagesh SF0094664 LO Suddula Ravikumar SF0096778 LO Peddajagadish Kuruva SF0046330 BM
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 an internal audit has detected the fraud (Yes/No/NA)	No
11	If not, why was fraud 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 involved staff					
Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch
				(DD/MMM/YY)	(DD/MMM/YY)
1	Vishnuvardhan Harijana	SF0066753	Loan officer	31-Aug-22	
2	Peddajagadish Kuruva	SF0046330	Branch manager	27-Sep-19	
3	Amarnath Kothakota	SF0089642	Loan officer	20-Aug-24	
4	R Siva Prasad	SF0092119	Loan officer	10-Oct-24	
5	Durga Prasad Mula Mallikarjuna	SF0086790	Loan officer	25-Jun-24	
6	Kuruba Gorla Nagesh	SF0094664	Loan officer	26-Nov-24	
7	Suddula Ravikumar	SF0096778	Loan officer	07-Jan-25	

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: 16-Apr-2025