

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
AP0572	Kotananduru	Narisipatana	Vizag	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
Chitikela Srinu/SF0063699	Kuramdasi Siva/SF0067361	Raju Kakada/SF0053612	Suryaprakash Killada/SF0003662	Krishna Chaitanya Varma Rudraraju/SF0055024	Arun Kumar.A/ CFL0004261	Deepak Varma/SF0066880
Date of Information Received (DD/MMM/YY)		21-Mar-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		05-Mar-24	08-Apr-25

Type of Incident (Fraud/Robbery/Theft)	Fraud
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	3
Total Amount Involved (Rs.)	8,85,051/-

Describe how the incident has been exposed/identified:

Internal Audit team visited Kotananduru branch for general audit and identified in the branch that EMI embezzled by loan officers Anakapalli Nageswararao SF0063287 , Satyavaraprasad Kadimi SF0082557 & Madala Ramesh SF0090692 collected EMI & pre closure amount from all these borrowers and did not hand over the collected amount at the branch. During the course of fraud investigation the Internal Audit team raised a complaints on 21st March 2025 & 10th -Apr-25 and the complaints were registered on the above-mentioned dates with vide complaint numbers F2425-03264 , FN25-26-00145 & FN25-26-00146.

Brief Details of the incident:

Investigation Approach:

The audit team visited all the borrowers handled by loan officers Anakapalli Nageswararao SF0063287 , Satyavaraprasad Kadimi SF0082557 & Madala Ramesh SF0090692 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 398 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	Anakapalli Nageswara rao	SF006328 7	Collection Misappropriation	223	111	629380.00
2	Satyavarap rasad Kadimi	SF008255 7	Collection Misappropriation & Pre closure Misappropriation.	82	17	124341.00
3	Madala Ramesh	SF009069 2	Collection Misappropriation	93	22	131330.00

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.
Digital Payment Collections.

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Sl. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Internal Audit Team
2	Date of event exposed	21-Mar-25
3	Name/ID/Designation of the Fraudulent Staff	Anakapalli Nageswararao SF0063287 LO Satyavaraprasad Kadimi SF0082557 LO Madala Ramesh SF0090692 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 involved staff					
Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch
				(DD/MMM/YY)	(DD/MMM/YY)
1	Anakapalli Nageswararao	SF0063287	Loan Officer	27-Dec-21	
2	Satyavaraprasad Kadimi	SF0082557	Loan Officer	12-Feb-24	
3	Madala Ramesh	SF0090692	Loan Officer	13-Sep-24	

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: 15-Apr-2025