

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
APIL1241	Allagadda(Chagalamarri)	Mydukur	Kadapa	Ongole	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
Madhu sudhana rao ardesi/SF0054821	Sabolu Mohanraju/SF0094798	Obulesu Putike/SF0045676	Nagakoteswara Rao Tirumalasetty/SF0087532	Maahaboob Subhani Shaik/SF0075598	Arun Kumar.A/CFL0004261	Deepak Varma/SF0066880
Date of Information Received (DD/MMM/YY)		03-Apr-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		08-Feb-25	08-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.)				2,41,410/-		

Describe how the incident has been exposed/identified:

Branch Manager Madhu sudhana Rao Ardesi/SF0054821 was identified closing cash shortage in the branch for which the loan officer Rajesh Chinthamanu SF0084004 collected EMI Collections amounts from borrowers and did not hand over the collected amount at the branch. The BM raised a complaint on 14th April 2025 and the complaint was registered on the above-mentioned date with vide complaint number FN25-26-00179.

Brief Details of the incident:

Investigation Approach:

The audit team visited the branch to verify further on the complaint the closing cash shortage was identified which was done by loan officer Rajesh Chinthamanu to check the EMI amount collected was not accounted for.

Modus Operandi:

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

The internal audit team investigated in the branch on Opening balance, Collection amounts and deposited amounts in banks. The amounts of embezzled fraud collection are given below.

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S.No	Name of the Staff Involved	Employee Code	Employee Designation	Total Fraud Amount	Recovered Amount	Net Fraud Amount
				(Post Investigation)		
1	Rajesh Chinthamanu	SF0084004	Loan officer	241410	141410	100000

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	Madhu Sudhana Rao Ardesi/SF0054821/Branch Manager
2	Date of event exposed	03-Apr-25
3	Name/ID/Designation of the Fraudulent Staff	Rajesh Chinthamanu SF0084004 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

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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/MMM/YY)
1	Rajesh Chinthamanu	SF0084004	Loan officer	05-Apr-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: 03-May-2025