

**Spandana Sphoorty Financial Ltd.**  
**Internal Audit Department**



**Fraud Investigation Report**

**Branch Details:**

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
AP3304	Naidupeta_SSFL	Atmakur	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
NA	NA	Sivakrishna Ramatheertham/SF0037444	Nagakoteswara Rao Tirumalasetty/SF0087532	Maahaboob Subhani Shaik/SF0075598	Arun Kumar.A/ CFL0004261	Deepak Varma/SF0066880
Date of Information Received (DD/MMM/YY)		18-Apr-25	Date of event/transactions occurred (From - To) (DD/MMM/YY)		10-Mar-24	11-Apr-25
<b>Type of Incident (Fraud/Robbery/Theft)</b>			<b>Fraud</b>			
<b>Internal or External</b>			<b>Internal</b>			
<b>No. of staff/persons involved: Fraud/Robbery/Theft</b>			<b>5</b>			
<b>Total Amount Involved (Rs.)</b>			<b>3,82,010/-</b>			

**Describe how the incident has been exposed/identified:**

The Branch Manager P. Venkateswarlu Pothala (SF0071385) has identified in the branch that there is cash shortage and EMI embezzled loan officers Atmakuri Naveen CFL0002758 , Kranthi Meraga CFL0004621 , and Branch Managers Venkateswarlu Pothala SF0071385 & Vamsi Kakarla CFL0002138 and Branch Quality Manager Meeramapalli Chennarayudu CFL0002764 collected EMI Collections 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 BM and the Internal Audit raised a complaints on 18<sup>th</sup> April 2025, 29<sup>th</sup> April 2025 & 30<sup>th</sup> April 2025. and the complaints were registered on the above-mentioned dates with vide complaint numbers - FN25-26-00252 , F2526-04054, F2526-04063, F2526-04064, F2526-04066.

**Brief Details of the Incident:**

**Investigation Approach:**

The audit team visited all the borrowers handled by loan officers Atmakuri Naveen CFL0002758 , Kranthi Meraga CFL0004621 , & Branch Managers Venkateswarlu Pothala SF0071385 & Vamsi Kakarla CFL0002138 & Branch Quality Manager Meeramapalli Chennarayudu CFL0002764 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 61 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	Venkateswarlu Pothala	SF0071385	Cash Closing	0	0	117365.00
2	Meeramapalli Chen narayudu	CFL0002764	Cash Closing and Collection Misappropriation	10	10	137265.00
3	Atmakuri Naveen	CFL0002758	Collection Misappropriation	6	6	17730.00
4	Kranthi Meraga	CFL0004621	Collection Misappropriation	25	25	58700.00
5	Vamsi Kakarla	CFL0002138	Collection Misappropriation	20	20	50950.00

**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	Venkateswarlu Pothala / SF0071385 / BM/ Branch Operations & Internal Audit Team
2	Date of event exposed	18-Apr-25
3	Name/ID/Designation of the Fraudulent Staff	Atmakuri Naveen CFL0002758 LO Kranthi Meraga CFL0004621 LO Venkateswarlu Pothala SF0071385 BM Vamsi Kakarla CFL0002138 BM Meeramapalli Chennarayudu CFL0002764 BQM
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	Venkateswarlu Venkateswarlu Pothala	SF0071385	Branch Manager	22-Feb-23	
2	Meeramapalli Chennarayudu	CFL0002764	Branch quality Manager		
3	Atmakuri Naveen	CFL0002758	Loan Officer		
4	Kranthi Meraga	CFL0004621	Loan Officer		
5	Vamsi Kakarla	CFL0002138	Trainee Branch Manager		

**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: 10-May-2025**