

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



**Fraud Investigation Report**

**Branch Details:**

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
UK3485	Kashipur	Rudrapur	Bijnor	Meerut	Uttar Pradesh	North
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
Ashif Khan/SF007752	Sonu Singh/SF0071664	Ajay Kumar/SF0095169	Shakti Singh Malik /SF0073040	Deepak Tiwari/SF0071929	Vipin Yadav/SF0071928	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		13-Sep-2025	Date of event/transactions occurred (From-To) (DD/MMM/YY)		12-Mar-25	15-Sep-25

<b>Type of Incident (Fraud/Robbery/Theft)</b>	<b>Staff Fraud</b>
<b>Internal or External</b>	<b>Internal</b>
<b>No. of staff/persons involved: Fraud/Robbery/Theft</b>	<b>01</b>
<b>Total Amount Involved (Rs.)</b>	<b>6,71,233/-</b>

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

During a branch visit conducted by IA Rohit/SF0079092, IA Pardeep/SF0079093 & IA Arun Kumar Sharma/SF0078570, it was observed that **Branch Manager /Shubham Chauhan (SF0082246)** had collected payments from borrowers. However, these amounts were not properly accounted for in the **FIMO system**.

**Complaint Details**

- **Date of Complaint:** 13 Sep 2025
- **Evidence Provided By:** Business Team
- **Complaint Registered On:** 22 Sep 2025
- **Complaint Numbers:** FN25-26-02310.

Given the nature of these discrepancies, necessary steps should be taken to investigate and address the issue.

Recommended actions include:

1. **Reviewing collection records** to verify missing transactions.
2. **Conducting an internal audit** to determine accountability.
3. **Reconciling borrower accounts** to reflect accurate transactions.
4. **Escalating the matter to higher authorities** for appropriate action.

**Brief Details of the incident:**

**Investigation Approach:**

Following an audit review, the team conducted visits to all borrowers managed by **Branch Manager/Shubham Chauhan (SF0082246)**. The purpose of the visits was to verify borrower availability based on the **Geo-tagging data recorded by the Branch Manager**.

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**Modus Operandi:**

The Internal Audit team investigated by visiting all 305 borrowers handled by the Branch Manager.

**Cash siphoned off:** ₹87,780 (Rupees Eighty-Seven Thousand Seven Hundred Eighty only).

**Borrower verification:** Out of **305 borrowers** visited, **69 borrowers** were found to have misappropriated collections totalling **₹6,71,233**.

**Recovery status:**

- ₹89,330 recovered and posted in FIMO.
- ₹5,83,453 collected by the Branch Manager but not posted in FIMO. This amount remains outstanding and is to be recovered from the Branch Manager.

**Supporting Evidence**

- Borrower Written Statements: 36 borrowers
- Cash Receipts: 2 borrowers
- Credit Assistants' Written Statements & Handwritten Receipts: 28 borrowers
- Loan Cards: 3 borrowers
- The Spandana printed Keys Register was not available at the branch.
- The old Keys Register is missing, raising concerns about deliberate concealment or negligence in maintaining mandatory branch records.

**Conclusion**

The investigation establishes that Mr. Shubham Chauhan (Branch Manager) engaged in misappropriation of borrower funds by failing to deposit collected EMI and pre-closure amounts into the system.

- Total misappropriated amount: ₹6,71,233
- Recovered and posted: ₹89,330
- Net financial loss to the organization (after partial recovery): ₹5,81,903

The absence of the Keys Register further indicates serious lapses in branch-level record keeping and may point to intentional suppression of evidence.

**Branch Manager Cash Locker Cash Siphoned Off & collection,**

Fraudulent Branch Manager Name	Fraudulent Staff Emp ID	Cash Siphoned Off Amount	Collection Amount	Pre-Closure Amount	Disbursed Loan Amount Recollected	Total Fraud Amount	Recovery Amount	Net Fraud Amount
Shubham Chauhan	SF0082246	87,780	38,444	5,45,009	0	6,71,233	89,330	5,81,903

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FIMO Center Meeting – Mapping of Credit Assistants & Branch Quality Manager (Field Wise): -

Name	EMP ID	Designation
Afjal Afjal	SF0085089	Credit Assistant
Aman Aman	SF0078372	Credit Assistant
Pawan Kumar	SF0099184	Credit Assistant
Ravi Kumar	SF0079421	Credit Assistant
Sonu Singh	SF0071664	Branch Quality Manager (Field)

SI. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Rohit/SF0079092, Pardeep/SF0079093 & Arun Kumar Sharm/SF0078570/Audit Executive
2	Date of event exposed	13-Sep-2025
3	Name/ID/Designation of the Fraudulent Staffs	Branch Manager /Shubham Chauhan (SF0082246).
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 thefts/robberies happened in this branch for the past 12 months (excluding this)	No
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)	NA
11	If no, why was fraud not detected/informed during such an audit?	
12	Is there any investigation conducted & reported after detection by other departments (Yes/No/NA)	Yes
13	If yes, mention the departments that conducted and reported.	Internal Audit

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Sr. No.	Branch Manager Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch	DOJ in Exit
				(DD/MMM/YY)	(DD/MMM/YY)	(DD/MMM/YY)
1	Shubham Chauhan	SF0082246	Branch Manager	05-Feb-24	05-Feb-24	16-Sep-25

**Note:** The information and observations given 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 & customers wherever applicable.

**Report prepared by: Internal Audit Team.**

**Date: 27 Sep'2025**