

Spandana Sphoorty Financial Ltd.
Internal Audit Department



Fraud Investigation Report

Branch Details:

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
UK3668	Laksar	Vikas Nagar	Haridwar	Karnal	Haryana	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
Mukesh Pal Singh/SF0088372	Rajat Rajat/SF0078060	Rahul Kumar/SF0073428	Rahul Kumar/SF0077212	Karm Veer/SF0072751	Vipin Yadav/SF0071928	Ajay Ganotra/SF0068487
Date of Information Received (DD/MMM/YY)		30-Sep-2025	Date of event/transactions occurred (From-To) (DD/MMM/YY)		30-Sep-2025	30-Sep-2025

Type of Incident (Fraud/Robbery/Theft)	Safe Locker Cash Siphoned Off
Internal or External	Internal
No. of staff/persons involved: Fraud/Robbery/Theft	03
Total Amount Involved (Rs.)	8,718/-

Describe how the incident has been exposed/identified:

During the physical cash verification conducted by IA Mr. Rohit/SF0079092 at the Laksar Branch, a discrepancy was observed in the cash locker. The physical cash available was ₹8,718 less than the system-reported closing balance.

Complaint Details

- **Date of Complaint:** 30 Sep 2025
- **Evidence Provided By:** IA Team
- **Complaint Registered On:** 01 Oct 2025
- **Complaint Numbers:** FN25-26-02439, FN25-26-02440 & FN25-26-02421
- 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:

Please find below the details observed during today's cash verification at the Laksar branch:

- **FIMO Opening Balance:** The system recorded the branch opening cash at **Rs. 12,678**.
- **Physical Cash Found:** At verification, only **Rs. 3,960** was physically available in the safe.
- **Deposits Made Today:** The branch team deposited a total of **Rs. 0**, which is broken down as follows:
 - **Rs. 12,678** from the 30-Sep-25 opening cash

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- **Total Cash Shortfall:** A cash shortfall of Rs. **8,718** was identified.

Below is a tabulated summary for clarity:

Description	Amount (INR)
FIMO Opening Balance	12,678
Physical Cash in Safe	3,960
Total Deposit by Branch Team	0
Total Cash Shortfall	8,718

This significant discrepancy between the expected and the actual cash indicates potential issues in cash management or reconciliation that require immediate attention. It is recommended that we perform a thorough investigation into the discrepancy, review the cash handling procedures at Laksar, and strengthen internal controls to ensure that future verifications accurately reflect the cash available.

I suggest convening an urgent meeting with the branch management and audit teams to determine the next steps for a detailed investigation and to discuss additional safeguards against such discrepancies.

Date of Incident: 30-09-2025

Amount Involved: ₹8718

Key Holder Concerned Employees:

- **Rajat Rajat – Branch Quality Manager Field (Emp ID: SF0078060)**
- **Amit Kumar – Credit Assistant (Emp ID: SF0092130)**

Modus Operandi:

The Internal Audit team investigated by visiting the branch fraud committed by Branch Quality Manger Field & Credit Assistant.

On verification of the safe locker, a total of Rs. 3,960/- was found. As per the records, the expected balance was Rs. 12,678/-. This indicates a shortage of Rs. 8,718/-, which was not found at the time of opening the locker.

As per the key register, the designated key holders responsible for the locker are:

Loan Officer Rajat (Employee ID: SF0078060)

Loan Officer Amit Kumar (Employee ID: SF0092130)

In view of the shortage, the responsibility has been apportioned equally between the two key holders. Accordingly, the short amount of Rs. 8,718/- has been divided into Rs. 4,359/- per person, as both officers are jointly responsible for the cash management of the locker.

I wish to bring to your immediate attention the following findings:

- **BM Explanation:** Mukesh Pal Singh (SF0088372) said an amount of ₹8718 was found short in the cash locker during verification. I acknowledge that this amount was not placed in the locker due to a delay in receiving credit from the field assistant. As a temporary measure, I kept the amount in my personal pocket with the intention of depositing it once the credit was received. However, due to oversight, the amount remained with me and was not transferred to the locker in time, resulting in the discrepancy. I sincerely regret this lapse and assure that there was no intention of misappropriation. I take full responsibility and request that this be considered as an unintentional error."
- **Incident Summary:**
On 30th September 2025, a cash shortage of ₹8718 was identified during branch reconciliation. Upon internal

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inquiry, it was found that both Branch Quality Manger Field & Credit Assistant—Mr. Rajat Rajat and Mr. Amit Kumar—had access to the cash locker keys on the said date.

- Both employees have stated that the amount was received late in the branch and, due to oversight, remained in their personal possession. They admitted that the cash was not deposited into the branch cash locker as per standard operating procedures.
- The amount was later recovered, but the lapse in procedure is serious.
- This incident reflects a breach of cash handling protocol and raises concerns about internal controls.

• **Conclusion:**

While the amount has been recovered, the procedural lapse and negligence in handling cash must be addressed to prevent recurrence. Strict adherence to cash management protocols is essential for maintaining financial integrity and trust.

• **Available Documents and Evidence:**

-  **Key Register is available** – Entries related to locker operations are recorded.
-  **Denomination details are available** – All currency denominations are clearly listed for cash counting.
-  **Written statement from the Branch Manager is available** – Mr. Mukesh Pal Singh has acknowledged the incident.
-  **SSFL Physical Cash Verification Certificate is available** – Independent verification confirms the shortage.
- This incident reflects a serious lapse in branch cash management procedures and warrants disciplinary action as per organizational policy.

Detail of Two Credit Assistant: -

Fraudulent Credit Assistant Name	Fraudulent Credit Assistant Emp ID	Collectio nAmount	Pre-Closure Amount	Cash Siphoned Off	Advance Amount	Total Fraud Amount	Recover y Amount	Net Fraud Amount
Rajat Rajat	SF0078060	0	0	8718	0	4359	4359	0
Amit Kumar	SF0092130	0	0			4359	4359	
Mukesh Pal	SF0088372	0	0			0	0	

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Sl. NO.	Checklist	Particulars
1	Who exposed the event: Name/ID/Designation/Department/Centre to be mentioned	Rohit/SF0079092/Audit Executive
2	Date of event exposed	01-Oct-2025
3	Name/ID/Designation of the Fraudulent Staff	Rajat Rajat/SF0078060/ Branch Quality Manager Field & Amit Kumar/SF0092130/Credit Assistant
4	Whether it is in the notice of BM/BQM/CM/AVP/VP/SVP & HR (Yes/No)	Yes
5	If yes, mention the Action initiated by BM/BQM/CM/AVP/VP/SVP	AVP
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

Details of involved staff						
Sr. No.	Staff Name	Employee ID	Designation	DOJ in SSFL	DOJ in Branch	DOJ in Exit
				(DD/MMM/YY)	(DD/MMM/YY)	(DD/MMM/YY)
1	Rajat Rajat	SF0078060	Branch Quality Manager Field	16-Oct-23	16-Oct-23	
2	Amit Kumar	SF0092130	Credit Assistant	11-Oct-24	11-Oct-24	

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 : 03-Oct-2025

