

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



**Fraud Investigation Report**

**Branch Details:**

Branch Code	Branch Name	Cluster	Area	Region	State	Zone
UK3667	Jhabreda	Muzaffarnagar	Haridwar	Karnal	Uttarakhand	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
Shubham Kumar/SF0090177	NA	Vineet Kumar/SF0072638	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

<b>Type of Incident (Fraud/Robbery/Theft)</b>	<b>Safe Locker Cash Siphoned Off</b>
<b>Internal or External</b>	<b>Internal</b>
<b>No. of staff/persons involved: Fraud/Robbery/Theft</b>	<b>02</b>
<b>Total Amount Involved (Rs.)</b>	<b>5,373/-</b>

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

During the physical cash verification conducted by IA Mr. Rohit/SF0079092 at the Jhabreda Branch, a discrepancy was observed in the cash locker. The physical cash available was ₹5,373 less than the system-reported closing balance.

**Complaint Details**

- **Date of Complaint:** 30 Oct 2025
- **Evidence Provided By:** IA Team
- **Complaint Registered On:** 01 Oct 2025
- **Complaint Numbers:** FN25-26-02424 & FN25-26-02441
- 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 Jhabreda branch:

- **FIMO Opening Balance:** The system recorded the branch opening cash at **Rs. 12,253**.
- **Physical Cash Found:** At verification, only **Rs. 6,880** was physically available in the safe.
- **Deposits Made Today:** The branch team deposited a total of **Rs. 0**, which is broken down as follows:

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- **Rs. 12,253** from the 30-Sep-25 opening cash
- **Total Cash Shortfall:** A cash shortfall of **Rs. 5,373** was identified.

Below is a tabulated summary for clarity:

Description	Amount (INR)
FIMO Opening Balance	12,253
Physical Cash in Safe	6,880
Total Deposit by Branch Team	0
<b>Total Cash Shortfall</b>	<b>5,373</b>

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 Jhabreda, 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: ₹5,373**

- **Now this amount has been recovered and deposited in the bank.**

**Key Holder Concerned Employees:**

**Shubham Kumar (Branch Manager) – SF0090177**

**Ajay Kumar (Senior Credit Assistant) – SF0099562**

**Modus Operandi:**

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

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

- **BM Explanation:** I, Shubham Kumar, Branch Manager, Employee ID SF0090177, currently posted at Jhabreda Branch, would like to submit my explanation regarding the cash shortfall of ₹5373 identified during the recent cash verification.
- Due to late collection from the field staff after a meeting, the amount of ₹5373 was deposited into my personal account. Unfortunately, I was unable to withdraw the amount the same night as the CDM machine was not operational. As a result, the amount remained in my account and was not available during the verification process.
- I sincerely acknowledge this lapse and accept that it was my mistake to retain official cash in my personal account, even temporarily. I assure you that such an error will not be repeated in the future, and I will strictly adhere to all cash handling protocols going forward.
- I request your kind consideration and apologize for the inconvenience caused.
- **Incident Summary:**  
On 30th September 2025, a cash shortage of ₹5373 was identified at the Jhbreda branch during routine verification. Upon investigation, it was found that:

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- The amount of ₹5373 was not present in the branch's cash locker.
- The cash locker is jointly operated by Branch Manager Shubham Kumar and Senior Credit Assistant Ajay Kumar.
- Branch Manager Shubham Kumar had withdrawn ₹5373 from his personal account and kept it separately, without depositing it into the official cash locker.
- No official record or entry was found reflecting this transaction in the branch's cash register or system.
- 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. Shubham Kumar 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.

**Details of Branch Manager & Senior Credit Assistant: -**

Fraudulent Branch Manger & Credit Assistant Name	Fraudulent Credit Assistant Emp ID	Collecti on Amount	Pre-Closure Amount	Cash Siphoned Off	Advanc e Amount	Total Fraud Amount	Recover y Amount	Net Fraud Amount
Shubham Kumar	SF0090177	0	0	5373	0	2687	2687	0
Ajay Kumar	SF0099562	0	0			2686	2686	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	30-Sep-2025
3	Name/ID/Designation of the Fraudulent Staff	Shubham Kumar/SF0090177/ Branch Manager & Ajay Kumar/SF0099562/Senior 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	Shubham Kumar	SF0090177	Branch Manager	03-Sep-24	03-Sep-24	
2	Ajay Kumar	SF0099562	Senior Credit Assistant	11-Jul-25	11-Jul-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 : 03-Oct-2025**

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