

24th March, 2021

To
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
BKC, Bandra (E), Mumbai 400 051

Re: Your email dated 23rd March, 2021 asking for clarification on the resignation of
CFO Mr. Sachin Jain

Dear Sir,

1. Nature of suspected fraud / default / arrest:

Mr. Sachin Jain, the former Chief Financial Officer submitted his resignation letter in February 2021. During the Notice Period of 30 days, financial irregularities were noted in the accounting of cash receipts initially by the Internal Auditors of the Company this finding is also supported by the subsequent scrutiny of records, documents and transactions undertaken by the Company and the auditors. It prima facie appears that Mr. Sachin Jain is suspected to have committed certain illegal acts that may be regarded as being fraudulent. He also appears to have misused his position in the Company as the Head of the Finance Department of the Company's hotel in Goa. The investigation is on-going and records of the Company are being scrutinized. The suspected illegal acts/ financial irregularities and suspected fraud that has been uncovered so far by the auditor are as under:

Nature of suspected Fraud	Particulars of suspected illegal acts, omissions and/or irregularities and/or fraud
Act, omission, concealment of any fact with the intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders	1) Misappropriation of money collected from sale of scrap / miscellaneous items. Embezzlement of Company's funds officially collected by him on behalf of the Company and deliberately not recorded by him in the books of accounts and not deposited by him into Company's bank account. 2) Issue of cheques and payments from the Company's bank account to unknown entities having no business dealings with the Company.

Owned and operated by : **ADVANI HOTELS & RESORTS (INDIA) LIMITED**
(CIN: L99999MH1987PLC042891)

Registered Office : 18A & 18B, Jolly Maker Chambers – II, Nariman Point, Mumbai - 400021
Tel: (91-22) 22850101 Telefax: (91-22) 22040744| Website: www.caravelabeachresortgoa.com
EMAIL: cs.ho@advanihotels.com

	<p>3) Unauthorised reversal / Write-Off of certain Accounts Receivables of the Company's Revenue in respect of valid Tax Invoices issued by the Company (several days post check-out of the guests who stayed in the Company's hotel in Goa).</p> <p>4) Theft of Company assets for personal use.</p>
Abuse of position to gain undue advantage	<p>Unauthorised purchase of and payment towards Fixed Assets for his personal use. Manipulating information in the details of the Fixed Asset Additions report given to the Directors for the Board Meeting, by deleting certain assets bought by him, for himself, without any authority.</p>
Concealment and falsification of facts with intent to deceive	<p>1) Manipulation of the attendance and leave records in the system by impersonation of HR executives by misuse of their login, to alter and falsify his personal attendance records on several occasions.</p> <p>2) Manipulation of the attendance and leave records in the system by directly falsifying his attendance and leave records through misuse of his own login access.</p> <p>3) Misappropriation of the Company provided reimbursement of accommodation allowance beyond the authorised period, and misrepresenting components of his Cost to the Company (CTC) in the reports given to the Directors for the Board Meetings, while simultaneously unauthorised accommodation reimbursements / rent payments were surreptitiously being released by him for his own accommodation from April 1, 2020</p>

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VARCA, GOA

	onwards. 4) Manipulating and misrepresenting information on asset procurement placed before the Board of Directors by deleting assets purchased by him without authority.
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2. Estimated impact on the listed entity;

The extent of the loss is not quantifiable as on today, as the investigation is presently in progress. Till date the Auditors have been able to identify financial irregularities to the tune of approximately Rs. 13.00 lakhs.

3. Time of occurrence;

The investigation is on-going and records of the Company are being scrutinized by the Auditor.

4. Person(s) involved;

Mr. Sachin Jain, Ex-CFO.

5. Estimated amount involved (if any);

The estimated amount involved is presently not quantifiable as the investigation is still in progress. As stated above, we have been able to identify financial irregularities to the tune of approximately Rs. 13.00 lakhs till date.

6. Whether such fraud / default / arrest has been reported to appropriate authorities:

The Company has filed a police complaint in Goa with a request to register a FIR after conducting an investigation. As and when any additional financial irregularities are unearthed, additional complaints will be filed in the appropriate forums with the appropriate authorities.

You are kindly requested to take the above on record.

Thanking you,

Yours faithfully,

For **Advani Hotels & Resorts (India) Limited,**

S/d

Nilesh Jain

Company Secretary

Encl: As Stated above

Note: Due to ongoing COVID-19 pandemic outbreak and consequent lockdown, this intimation is being submitted without signature of the authorised person in SD/- mode.

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