

CODE FOR PROHIBITION OF INSIDER TRADING

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1. INTRODUCTION

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, has been notified and published in the official gazette on January 15, 2015 (hereinafter referred to as the '**Regulations**').

Regulation 8 (1) of the Regulations require every company whose securities are listed on stock exchanges to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

Further Regulation 9 (1) of the Regulations requires every company whose securities are listed on stock exchanges to mandatorily formulate a Code of Conduct to regulate, monitor and report trading by Designated Persons towards achieving compliance with the Regulation.

This document aims to define and establish **LEMON TREE HOTELS LIMITED** (herein after referred to as "the Company"), position and rules with respect to:

- **Prevention** of Insider trading of securities;
- **Maintenance** of confidentiality of Unpublished Price Sensitive Information; and
- **Adherence** to Securities and Exchange Board of India's ('**SEBI**') applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Persons for prevention of Insider trading.

2. Definitions

Unless the context otherwise requires, Words and expressions not defined in this Code shall have the same meaning as assigned to them in the Regulations:

- a) "**Board of Directors**" or "**Board**" shall mean the Board of Directors of Lemon Tree Hotels Limited, as constituted from time to time.
- b) "**Company**" means Lemon Tree Hotels Limited.
- c) "**Compliance Officer**" means Company Secretary of the Company or any other senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the

preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the company or the head of an organization, as the case may be.

For the purpose of the above, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- d) **“Connected Persons”** means as defined under Regulation 2 (1) (d) of the Regulations.
- e) **“Designated Persons”** shall mean:
 - Promoter, promoter group and members of the promoter group;
 - All Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and Presidents;
 - All employees of the Grade 7 and above of the Company and its Subsidiaries;
 - All employees of the Grade 6 and above in the Finance and Accounts, Secretarial and Internal Audit Function/department of the Company and its Subsidiaries;
 - Support staff (IT team and secretarial team) of the Company; and
 - Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
- f) **“Insider”** means any person who is:
 - a Connected person; or
 - in possession of or having access to unpublished price sensitive information; or
 - is in receipt of Unpublished Price Sensitive Information pursuant to legitimate purposes
- g) **“Insider trading”** means an act where insiders use Unpublished Price Sensitive Information to arrive at the decision to trading in securities of the Company.
- h) **“Immediate relative”** means a spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in talking decisions relating to trading in securities.
- i) **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall

exclude relationships in which the payment is based on arm's length transactions.

- j) **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- k) **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- l) **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- m) **"Relative"** shall mean the following
 - (i) Spouse of the person,
 - (ii) Parent of the person and parent of its spouse;
 - (iii) Sibling of the person and sibling of its spouse;
 - (iv) Child of the person and child of its spouse;
 - (v) Spouse of the person listed at sub-clause (iii) and
 - (vi) Spouse of the person listed at sub-clause (iv).
- n) **"Trading in Securities"** means and includes an act of subscribing, buying, selling, dealing or agreeing to subscribe, sell or deal in any securities either as principal or agent.
- o) **"Unpublished Price Sensitive Information" or "UPSI"** as defined under Regulation 2 (1) (n) of the Regulations.

In this Code, words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

3. Objective

The Company is committed to preserve the confidentiality and prevent the misuse of any Unpublished Price Sensitive Information. The Company is further committed to adherence to all applicable laws and regulations set forth by the SEBI or the Stock Exchanges with regards to prevention of Insider Trading.

Trading on insider information is not only illegal, but also tarnishes the Company's credibility. The Company is committed to ensuring transparency and fairness in dealing with all stakeholders of the Company. Any appearance of impropriety, however inadvertent, on the part of anyone connected or deemed to be connected with the Company could seriously harm the Company's reputation, besides invoking penalties and disciplinary actions from the Regulatory Authorities.

The purpose of this document is to elucidate and inform to all Connected or any Deemed Connected Persons of the Company that they have a responsibility and duty to preserve the confidentiality of all Unpublished Price Sensitive Information obtained in the course of his or her day to day operations and association with the Company. No Connected or Deemed Connected Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. This Code consists of the following:

- **PART A** - Code of conduct to regulate, monitor and report trading by its Designated Persons; and
- **PART B** - Code of practices and procedures for Fair disclosure of Unpublished Price Sensitive Information

PART-A- CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

4. COMPLIANCE OFFICER

The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board of Directors and/ or the Audit Committee of the Company on matters relating to prevention of insider trading as specified in the Code. The Compliance Officer shall perform the following functions and duties:

- Communication of the Policies, Codes and Institutional Control Mechanism to all concerned;
- Monitoring implementation of the Policies, Codes and Institutional Control Mechanism, under the overall supervision of the Board;
- Maintain a record of Designated Persons and any changes made to the list of Designated persons;
- Assist all the employees in addressing any clarification regarding the “Company’s Policies, Codes, Institutional Control Mechanism and the Regulations;
- In consultation with the Chairman and/or Managing Director and as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- Ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period;
- Maintain records of all the declarations submitted in the appropriate form given by the Designated Persons or other Connected Persons;
- Approve and notify the Trading Plan to the stock exchanges on which the securities of the Company are listed and monitor the execution of the Plan;

- Review and approve Pre-clearance requests received from Designated Persons;
- Inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under SEBI and Stock Exchange rules;
- Conduct inquiry/investigation on receiving information or becoming aware of any leakage/suspected leakage of Unpublished Price Sensitive Information;
- Keep Securities and Exchange Board of India informed of any leakage/suspected leakage of Unpublished Price Sensitive Information, inquiries initiated by the Company and the result of the inquiry;
- Place details of the dealing in the securities by Designated Persons/Connected Persons before the Managing Director/Chief Executive Officer and Chairman of Audit Committee on quarterly basis and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this Code;
- Place details of the dealing in the securities by Designated Persons/Connected Persons before the Board of Directors on annual basis.

5. PRESERVATION OF “UPSI”

- Insider shall maintain the confidentiality of all unpublished price sensitive information;
- Insider shall not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc.
- Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within the Company who need such information for legitimate purposes, performance of duties or discharge of legal obligations. Legitimate purpose shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- All files, whether electronic or manual, containing confidential information shall be kept secure.

- Unpublished Price Sensitive Information may be disclosed, communicated, provided, allowed access to or procured, in connection with a transaction which entails:
 - i. an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) where the Board of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
 - ii. not attracting the obligation to make an open offer under the Takeover Regulations but where the Board of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts. Provided in both the abovementioned cases confidentiality and non-disclosure agreement must be executed with the parties to transaction prior to disclosure of any confidential information.

6. PROHIBITION ON DEALING, COMMUNICATION OR COUNSELING ON MATTERS RELATING TO INSIDER TRADING

No Insider when in possession of Unpublished Price Sensitive Information shall:

- Either on his behalf or on behalf of any other person deal in securities of the Company; or
- Communicate or counsel directly or indirectly, any unpublished information to any person.

7. RESTRICTIONS AND PROCEDURE FOR DESIGNATED PERSONS WHILE DEALING IN COMPANY’S SECURITIES

Designated Persons may deal in Securities subject to compliance with the Regulations and this Code.

7.1. PROHIBITION IN DEALING IN SECURITIES OTHER THAN DURING A VALID TRADING WINDOW

All Designated Persons shall conduct all their dealings in the securities of the Company only during an open Trading Window within the threshold limit prescribed hereunder and shall not deal in any trading in Company's securities during the period when the trading window is closed.

7.2. VALID TRADING WINDOW FOR DEALING IN SECURITIES OF THE COMPANY

- Trading window means a period other than the prohibited period;
- Prohibited period means:
 - The **period beginning with the day** when the **intimation** of the Board/ Committee meeting is given to the **Stock Exchanges** to consider any Unpublished Price Sensitive Information and till 48 hours after the Unpublished Price Sensitive information is made public and;
 - Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman and/or Managing Director;

The trading window shall be, *inter alia*, closed at the time:-

- Declaration of Financial results from the end of every quarter till 48 hours after the declaration of financial results (quarterly, half-yearly and annual);
- Declaration of dividends (interim and final);
- Issue of securities by way of public/ rights/bonus, etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers, takeovers and buy-back;
- Disposal of whole or substantially whole of the undertaking;
- Any changes in policies, plans or operations of the Company; disruption of operations due to natural calamities;
- Any Material events/ information that could have a bearing on the price of discovery of the shares/ securities of the Company.

7.3. PROCEDURES FOR DEALING IN THE SECURITIES OF THE COMPANY

7.3.1. Pre-Clearance of trading in securities of the Company

All Designated Persons who **intend to deal** in securities of the Company (above the minimum **threshold limit**), shall obtain **pre-clearance** of the transactions as per the pre-dealing procedure as described hereunder.

However, no Designated Person shall apply for pre-clearance of any proposed trade if such person is in possession of Unpublished Price Sensitive Information even if the Trading Window is not closed.

7.3.2. Procedure for Pre-clearance of Trade

An application shall be made to the Compliance Officer for pre-clearance of trade either electronically through online tool provided by the Company, and/or physically in **Annexure I**, along with an undertaking executed in favour of the Company in the format enclosed (part of **Annexure I**)

7.3.3. Threshold Limit:

The pre-clearance shall not be necessary, if the number of shares to be traded is less than 2000 (Two Thousand) Equity Shares in a single day. In case of change in face value of shares of the Company in future, the limit for taking pre-clearance shall change accordingly.

7.3.4. Other Restrictions

- Designated Persons shall execute their trade in respect of securities of the Company within Seven trading days from the date the approval of pre-clearance is given. If the trade is not executed within such time, he/she shall obtain fresh pre-clearance.
- The Designated Persons shall file the details of the trade (including trade by any other person for whom they take trading decisions) with the Compliance Officer electronically through online tool provided by the Company, and/or physically in the prescribed form (enclosed as “Annexure II”) within two working days from the date of execution of the trade. In case the trade is not undertaken, a report to that effect shall also be filed with the Compliance Officer in the same form within two working days from the expiry of seven trading days of pre -clearance approval.
- Trade in securities of the Company by the Compliance Officer shall require pre clearance from the Managing Director or Chief Financial Officer of the Company.

7.3.5. Restricted period

All Designated persons who trade in securities of the Company such as buy or sell, shall not enter into an opposite trade such as sell or buy during next six month following the prior trade (**“Restricted Period”**). All Designated Persons shall also not take positions in derivate transaction in the securities at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

7.4. TRADING PLAN

Any Insider is entitled to formulate a trading plan for trading in securities of the Company and present it to the Compliance Officer for approval and public disclosure.

Trading Plan shall:

- (a) not entail commencement of trading on behalf of the Designated Person or Insider earlier than 120 calendar days from the public disclosure of the Plan;
 - (b) not entail overlap of any period for which another trading plan is already in existence;
 - (c) set out following parameters for each trade to be executed;
 - (i) either the value of trade to be effected or the number of securities to be traded;
 - (ii) nature of the trade;
 - (iii) either specific date or time period not exceeding five consecutive trading days;
 - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price
- Explanation:
- (i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.
 - (ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.
 - (iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.
- (d) not entail trading in securities for market abuse.

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Where a Trading Plan has been approved and intimated to Stock Exchange, no pre-clearance will be required for executing trading as per the Trading Plan. An approved Trading Plan will also not attract Trading Window norms to the extent the trade is executed as per the Trading Plan.

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the Plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law. However, the implementation of the Trading Plan shall not be commenced if any unpublished price sensitive information in possession of the Insider at the time of formulation of the Plan has not become generally available at the time of the commencement of implementation.

Provided further that if the insider has set a price limit for a trade as provided above, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed

In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-regulation 4 of the regulations (and as provided above) or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

(i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.

(ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

(iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per this Code of Conduct.

The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

8. REPORTING AND DISCLOSURE REQUIREMENTS

8.1. Disclosures of Promoter, Directors, Key Managerial Personnel (“KMP”) and Designated Employees

All Promoter, member of the promoter group, Directors, KMP and Designated Employees of the Company are required to forward the following details of their security transaction/ holdings including the statement of dependent family members to the Compliance Officer.

Initial Disclosure

- Every person on appointment as a Designated Person or KMP or a Director of the Company or upon becoming a Promoter or member of the promoter group, shall disclose his holding of securities of the Company (*including the statement of holdings of their Immediate Relatives any other person for whom they takes trading decisions*) as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a promoter **electronically through online tool provided by the Company, and/or physically in “Annexure III”** (enclosed as “**Annexure III**”).
- Designated Persons shall provide the details of educational institutions from which they have graduated and names of past employers within 15 days from the effective date of Regulation or 15 days from their appointment or identification as Designated Person, as the case may be.

Continuous Disclosure

- Every promoter, member of Promoter group, Designated Person and Director of the Company to disclose to the Company the number of such securities acquired or disposed by them (*including Securities acquired or disposed of by their Immediate Relatives any other person for whom they takes trading decisions*) in the prescribed form if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lacs. Such disclosure shall be made **electronically through online tool provided by the Company, and/or physically in “Annexure IV”** (enclosed as “**Annexure IV**”) within two trading days of the transaction.
- Designated Persons to provide PAN, phone, mobile and cell numbers and other identifier authorised by law or themselves, of themselves, their Immediate Relatives and persons with whom they share material financial relationship.

8.2. Maintenance of Records of disclosures received by the Company

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by Designated Persons or other Connected Persons for a minimum period of five years.

9. DIGITAL DATABASE

The Company maintain an in-house digital database which captures the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database has adequate internal controls and checks such as time stamping and audit trails in order to ensure non-tampering of the database.

The information provided under the digital database is preserved for a period of not less than eight years after completion of the relevant transactions. However, in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database is preserved till the completion of such proceedings.

10. INFORMATION TO SEBI IN CASE OF VIOLATION THE REGULATIONS

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the Regulations, SEBI/Stock Exchanges shall be informed by the Company/Compliance Officer within seven days of their being notified or becoming aware of such a contravention after obtaining approval of the Managing Director/Board of Directors.

11. AMENDMENTS AND PROVISIO

This Code may be amended or modified by the Company after due consultation with the Board of Directors.

Where the position/procedures of the Company in relation to Insider Trading set forth in this Code is more rigorous than the rules framed by SEBI in relation to Insider Trading, the rules set forth in this Code shall prevail. However, nothing contained in this code shall over-ride the expectations and requirements set forth by SEBI in relation to Insider Trading. All Designated Persons are expected to ensure that they adhere to the minimum standards set forth by SEBI in relation to Insider Trading.

12. PENALTY FOR CONTRAVENTION OF THE CODE

All Designated Persons shall adhere to the principles and rules set forth in this code. The Company reserves the right to penalize such persons and take appropriate action in the event of any contravention of the code.

- 12.1. Any Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of the Code may be penalized and appropriate action may be taken by the Company.
- 12.2. Any Designated Persons who violate this code shall also be subject to disciplinary action by the Company, which may include wage, salary freeze, suspension, withholding of promotions, etc.

- 12.3. The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

The Company have further detailed the provisions related to penalty for contravention in its Policy on Penalties/Actions against violation of Insider Trading norms.

13. PROCESS ON HOW AND WHEN PEOPLE ARE BROUGHT INSIDE SENSITIVE TRANSACTIONS

- 13.1 “Sensitive Transaction” will include any transaction which will significantly impact the business activities of the Company. It will include all transactions that are not in ordinary course of business and have arisen on account of any external or internal unforeseen circumstances. A business transaction that do not occur on a periodic basis and which give rise of event based UPSI is considered as a sensitive transaction. A sensitive transaction may pose a major impact on the Company’s business, when discovered by general public.
- 13.2 The Board of Directors as and when it decides to enter into a sensitive transaction, will within reasonable time call for a meeting to discuss the transaction and the modalities for ensuring compliances.
- 13.3 As a general practice, Designated Persons, as identified in this Code will be the people who, as and when required, will be brought inside a sensitive transaction. However, if a transaction necessitates inclusion of other people (not defined as Designated Persons), appropriate and adequate care needs to be undertaken to ensure that the information w.r.t to the transaction remains within the group of individuals working on such transactions. People from other department within the Company may be included on a need basis.
- 13.4 While including people as part of any sensitive transaction, key factors such as necessity for inclusion, adequacy, accuracy and timeliness of information to be shared, sensitization of people to be brought inside should be taken care of.

14. INFORMANT MECHANISM

14.1 Protection against retaliation and victimization

The Company will not take any action such as discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a voluntary information disclosure form, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under these Regulations, by reason of:

- (i) filing a voluntary information disclosure form under these Regulations;
- (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of Insider trading laws or in any manner aiding the enforcement action taken by SEBI; or

- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner

14.2 The Company will not mandate an employee to notify it of any voluntary information disclosure form filed with SEBI or to seek its prior permission or consent or guidance of any person engaged by the Company before or after such filing.

PART B – CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board of Directors of the Company is committed to manage the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all stakeholders. The Company upholds the basic tenets of Corporate Governance and to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework of the Company by prohibiting and regulating such activities within the applicable law.

Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (**“Insider Regulations”**) prescribes all listed companies to formulate and publish on its official website a ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive information’ (**“Code of Fair Disclosure”**) as per Schedule A of the Regulations. The Company has accordingly established the Part B of this Code

The Code of Fair Disclosure shall be applicable to the Promoters, Key Managerial Personnel, Board and Employees of the Company which include the following regarding the prompt public disclosure of Unpublished Price Sensitive Information:

- a. The Company will make prompt public disclosure of unpublished price sensitive information in relation to the Company that would impact price discovery of the securities of the Company no sooner than credible and concrete Information comes into being in order to make such Information generally available.
- b. The Company will ensure uniform and universal dissemination of unpublished price sensitive information in relation to the Company via stock exchanges where the securities of the Company are listed and in order avoid selective disclosure.
- c. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of Information and disclosure of unpublished price sensitive information in relation to the Company.
- d. The Company will make efforts to promptly disseminate any unpublished price sensitive information in relation to the Company that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. The Company will endeavor to provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

- f. The Company will ensure that information shared with analysts and research personnel is not unpublished price sensitive information in relation to the Company.
- g. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website www.lemontreeshotel.com to ensure official confirmation and documentation of disclosures made.
- h. The Company executive will handle all unpublished price sensitive information in relation to the Company on a need-to-know basis.

SHARING OF UPSI PURSUANT TO LEGITIMATE PURPOSE

- "Legitimate Purpose" includes sharing of UPSI by an insider in the ordinary course of business, on a need to know basis, performance of duties and discharge of legal obligations with persons including:
 - a. Promoter and members of the promoter group of the Company;
 - b. Partners and members of Audit firms, appointed for statutory audit of the Company;
 - c. Partners and members of legal/secretarial advisory/consultancy firms, appointed for providing legal or secretarial services to the Company;
 - d. Any other advisory or consultancy firm, as appointed by the Company, such as, internal auditor; secretarial auditor etc.
 - e. Customers;
 - f. Suppliers;
 - g. Bankers, including Merchant Bankers;
 - h. Lenders;
 - i. Collaborators;
 - j. Insolvency Professionals;
 - k. Service Providers;
 - l. Any other advisor or consultants or persons identified during the ordinary course of business of the Company

Provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulations.

- **Determination of legitimate purpose**

To determine whether the information sharing is for legitimate purpose or *not*, the person seeking the information or sharing the information shall satisfy the following conditions to the extent applicable:

- a. Sharing of information where such information is in furtherance of performance of duty;
- b. Sharing of information for discharge of legal obligation (i.e. contract, agreement etc.) or pursuant to earlier agreed agreement/ MoU;
- c. Sharing of information is pursuant to business object of the Company under its MOA;
- d. Sharing of information pursuant to any statutory obligation;

- e. Sharing of information following compliance of regulatory or judicial order;
- f. Sharing information during due diligence for Merger & Amalgamation or Public Offer or any corporate restructuring;
- g. Sharing of UPSI for any other purpose as may be prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibition provided under the Regulations.

- **Legitimate Purpose shall ordinarily include but not restricted to the information relating to the following:**
 - a. Sharing of information with auditors for audit purpose;
 - b. Sharing of information with bankers, partners, collaborators,
 - c. consultants and intermediaries etc. for completion of business transactions;
 - d. Sharing of information with lawyers/ statutory authorities to fulfil any legal obligation related to the Company;
 - e. Giving insight about the merger, amalgamation or restructuring of the Company pursuant to legal requirement, for time being in force;
 - f. Responding to statutory bodies etc.

15. CONFIDENTIALITY

Any information shared in pursuant to the above provisions, the recipient of the information shall be considered as Insider for the purpose of this Code and is expected to maintain confidentiality of such information till such information has been released by authorised representative of the Company in public domain, violation of which shall attract severe punishment/ penalty.

16. REVIEW AND AMENDMENT

The Board of Directors of the Company may amend, abrogate, modify or revise any of all clauses of this Code in accordance with the applicable provisions of the Regulations, listing agreement entered into by the Company with the stock exchanges and guidance note issued by such stock exchanges, from time to time.

17. DISCLAIMER

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

ANNEXURE-I

APPLICATION FOR PRE-CLEARANCE OF TRADE IN SECURITIES

Date: _____

To
The Compliance Officer
Lemon Tree Hotels Limited
Asset No. 6, Aerocity Hospitality District,
New Delhi-110037

Sub- Application for pre-clearance of trade in securities of the Company ("Pre Clearance Application").

Dear Sir

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code for prohibition of Insider Trading (Code), I seek approval for purchase/sale/subscription of _____ Securities of the Company as per the details given below:

1	Name of the Applicant	
2	Designation and Department	
3	Number of Securities held as on date (including through Immediate Relatives)	
4	Folio No./DP ID/Client ID NO	
5	The Proposal is for (a) Purchase of Securities (b) Subscription of Securities (c) Sale of Securities	
6	Proposed date of dealing in Securities	
7	Estimated number of Securities proposed to be listing	
8	Price at which transaction is proposed	
9	Current Market Price (as on the date of Application)	
10	Name of immediate Relative and relation, if the transaction is in the name of immediate relative	
11	Whether the proposed transaction will be through Stock Exchange or off market deal	
12	Folio No/DP ID/Client ID No. where the Securities will be credited	

DECLARATION AND UNDERTAKING

In relation to the above application, I hereby declare and undertake the following:

- That I am desirous of trading in the securities of the Company as per details mentioned in this Pre-Clearance Application.
- That I am aware of the SEBI (Prohibition of Insider Trading) Regulations , 2015 (Regulations) and Company- Trading Code of Conduct and procedures made there under and have not contravened the Regulations and the Code/procedures laid down by the Company for prevention of insider trading as notified by the Company from time to time.
- That I am not in possession of have access to and/or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Code) up to the time of signing this Undertaking.

- That in the event that I have access to or received any information that could be construed as “Unpublished Price Sensitive Information” as defined in the Code, after the signing of this undertaking but before executing the Trade for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes generally available to the public
- That I have not contravened the provisions of the Code as notified by the Company from time to time
- I undertake to submit the necessary report within 2 trading days of execution of the transaction/a 'Nil' report if the transaction is not undertaken
- That If approval is granted, I shall execute the deal within 7 (seven) trading days of the receipt of approval failing which I shall seek pre-clearance again
- That I will not enter into an opposite transaction during the next six months following the transaction under this approval without previous approval of the Compliance officer.
- That I have made full and true disclosure in the matter

Yours faithfully

Signature of Employee

Name:

Designation:

Employee ID:

Date:

Annexure-A
PRE CLEARANCE APPROVAL LETTER

Date: _____

To,

Name: _____

Designation: _____

Address: _____

Sub: Pre Clearance of trading in the securities of the Company ("Pre Clearance Application")

Dear Sir/Madam,

This is to inform you that your request for trading/dealing in the _____ equity shares (Securities) of the Company as mentioned in your Pre Clearance Application Form dated _____ has been approved.

Please note that the aforesaid transaction must be undertaken within seven (7) days trading days from the date of this letter.

In case you do not execute the approved transaction/deal on or before the aforesaid time period, you would have to seek fresh pre-clearance before executing and transaction/deal in the securities of the Company.

Further, you are required to file the details of the executed transactions in the attached format '**Annexure-II**' within 2 trading days from the date of transaction/deal to the Compliance Officer of the Company. In case the transaction is not undertaken a '**Nil**' report shall be necessary to file together with reasons for non-execution of the trade within 2 working days after expiry of seven trading days of pre clearance approval.

Please also note that if the value of security traded, whether in one transaction or a series of transactions over any calendar quarter, which is aggregated to a traded value in excess of Rs. 10 Lacs, then you are additionally required to intimate within 2 (Two) trading days to undersigned the details of the relevant transaction in '**Annexure-IV**' without fail.

You are requested to adhere to the Code of prohibition of Insider Trading Policy of the Company under provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Code"). This Code is available our website under Investor Relation Section.

You are restricted to trade in Securities if you are in possession of any Unpublished Price Sensitive Information as per code.

Yours Faithfully,

For LEMON TREE HOTELS LIMITED

COMPLIANCE OFFICER

Encl.: Annexure II

Annexure IV

ANNEXURE II

DISCLOSURE OF TRANSACTIONS EXECUTED

(To be submitted within 2 trading days of transaction / dealing in securities of the company)

Date: _____

To,

The Compliance Officer
Lemon Tree Hotels Limited
Asset No. 6, Aerocity Hospitality District,
New Delhi-110037

SUB: Disclosure of trades executed under pre clearance approval.

Dear Sir,

I have received pre clearance approval for purchase / sale / subscription ("**Trade**") of the securities of the Company vide pre clearance approval letter dated _____. I hereby inform that (including through my Immediate Relative) (*strike off which is not applicable*)

- have not bought /sold/subscribed any securities of the Company for the following reasons _____
- have bought/sold/subscribed to _____ securities as mentioned below on _____(date)

Name of the Applicant	Traded by / on behalf of	No. of Securities	DP ID/Client ID/Folio No. of the person in whose name trading is done	Price (Rs.)
	<ul style="list-style-type: none">▪ Applicant▪ Spouse▪ Mother▪ Father▪ Brother▪ Sister▪ Son▪ Daughter▪ Other	Purchase _____ Sale _____ Subscription _____		

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer /SEBI any of the following documents:

1. Broker's contact note
2. Proof of Payment to/from brokers
3. Extract of Bank passbook/Statement (to be submitted in case of demat transactions)
4. Copy of Delivery instruction slip (applicable in case of sale transactions)

I agree to hold the above securities for a minimum period of six (6) months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance officer for necessary approval along with reason in writing. (applicable in case of purchase/subscription).

I declare that the above information is correct and that no provisions of the Code and / or applicable laws/regulations have been contravened for effecting the above said transaction(s).

Thanking you

Yours faithfully

Signature

Name

Employee ID

Date

Annexure- III**SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2) Initial Disclosure****Name of the company: Lemon Tree Hotels Limited****ISIN of the company: INE970X01018**

Details of Securities held on appointment as a Designated Person or Key Managerial Personnel (KMP) or a Director of the Company or upon becoming a Promoter or member of the promoter group, shall disclose his holding of securities of the Company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, Pan, CIN/DIN & Address with contact nos.	Category of person (Designated Person/ Immediate relative to/ others, etc.)	Date of appointment of Designated Person	Securities held at the time of appointment of Designated Person Type of Securities (For eg. - Shares Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	% of Shareholding
1	2	3	4	5	6
SELF					
Name:					
PAN:					
DIN:					
Address:					
Contact:					
RELATIVE					
Name:					
PAN:					
DIN:					
Address:					
Contact:					
Total					

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives on the securities of the company held on appointment as a Designated Person or Key Managerial Personnel (KMP) or a Director of the Company or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of appointment of Designated Person			Open Interest of the Option Contracts held at the time of appointment of Designated Person		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12
SELF					
RELATIVE					
TOTAL					

Note: *In case of Options, notional value shall be calculated based on premium plus strike price of options*

Further, we hereby confirm that the details filled with respect to qualification, employment, immediate relatives, person with whom I share material financial relationship along with their other details are correct and accurate as on the date of the disclosure.

Name:

Signature:

Designation:

Date:

Place:

ANNEXURE-IV

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6 (2) – Continual disclosure]

Name of the Company: Lemon Tree Hotels Limited
ISIN of the Company: INE970X01018

Details of change in holding Securities of Promoters, Employee or Director of a listed company and such other persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of person (Promoters/ KMP/ Directors/ immediate relatives to/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/disposed				Securities held post acquisition/disposed		Date of allotment advice/acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition/disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction Type (Buy/ sell/ Pledge/ revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading), Regulations, 2015.

Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of Contract	Contract Specification	Buy		Sell		
		Notional Value	Number of units (Contract * lot size)	Notional Value	Number of units (Contract * lot size)	

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:
Designation:
Date:
Place: