



# **LTH Vigil Mechanism Whistle Blowers Policy**

For the Board of Directors, Senior  
Management and Employees

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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### **Preface**

Lemon Tree Hotels Limited (hereinafter referred to as “the Company”, “LTHL”, “LTH”, “Lemon Tree” or “Lemon Tree Hotels”), being a listed company, is required to establish a vigil mechanism for all internal and external stakeholders to report genuine concerns, in accordance with the provisions of Section 177 of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in such manner as may be prescribed.

In terms of Regulation 4(2)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), it is mandatory for all listed companies to implement an effective whistle blower mechanism that enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

LTH has adopted a Code of Conduct (“the Code”) for its Directors and Senior Management, which sets forth the principles and standards that should govern the actions of the Company and its employees.

In view of the above, LTH, being a listed company, has established a Vigil Mechanism and formulated a Whistle Blower Policy for LTH and its subsidiaries.

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## LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY

For the Board of Directors, Senior Management and Employees

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### Definitions

- **“Act”** means Companies Act, 2013 including the applicable Rules & Regulations.
- **“Associates”** means and includes vendors, suppliers, and others with whom the company has any financial or commercial dealings.
- **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with the Act.
- **“Board”** means the Board of Directors of the Company.
- **“Company”** means “LTHL”, “LTH”, “Lemon Tree”, “Lemon Tree Hotels Limited” or “Lemon Tree Hotels” and its subsidiaries.
- **“Competent Authority”** means the Audit Committee, which shall oversee the vigil mechanism of the Company.
- **“Disclosure(s)”** means concern(s) raised through written communication made in goodfaith, which discloses or demonstrates information that may evidence a violation of LTH’s Code of Conduct or unethical or improper activity covered under the Scope of the Policy.
- **“Disciplinary Action”** means any action that can be taken upon the completion of, or during the investigation proceedings including, but not limited to, a warning, imposition of a fine, suspension from official duties, or any other action deemed appropriate, considering the gravity of the matter.
- **“Employee”** means every employee of the Company or its subsidiaries (whether working at the Corporate Office or any of its branch offices, development sites or operating hotels), including contractual staff or any other person serving the Company in any capacity and the Directors of the Company.
- **“Investigator(s)”** means any person(s) or authority approached, consulted, appointed or authorized by the Vigilance Officer or Competent Authority, including, but not limited to, the Auditors of the Company and the Police, to conduct a detailed investigation.
- **“Senior Management”** shall mean employees of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all members of the management one level below the

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## LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY

For the Board of Directors, Senior Management and Employees

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Chairman and Managing Director/Whole Time Director, in case they are not part of the board and shall specifically include the functional heads, by whatever name called, and the Company Secretary and the Chief Financial Officer.

- **“Subject”** means a person or group of persons “against or in relation to whom” a disclosure is made or evidence is gathered during the course of an investigation.
- **“Vigilance Officer”** means an official of the Company to whom any of the powers under this policy are delegated from time to time, and who shall assist the Competent Authority or Investigator(s) for the purposes of this Policy.
- **“Whistle blower”** is an employee or group of employees who make a Protected disclosure under this Policy and is also referred to as a complainant in this Policy.

*Unless the context otherwise requires, words and expressions used in this Policy and not defined herein, but defined in the Act as may be amended from time to time, shall have the meaning respectively assigned to them therein.*

### Objective of The Policy

The objective of this Policy is to build and strengthen a culture of transparency and trust within the organization and to provide a mechanism for reporting violations or suspected violations of the LTH Code, any instances of unethical behaviour, improper activities, or serious irregularities within the scope of this Policy. It also aims to provide necessary safeguards to protect employees raising their concerns from reprisal and victimization.

We expect all employees to maintain the highest standards in accordance with our Code of Conduct and Ethics. However, all organizations face the risk of things going wrong from time to time or unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential to prevent such situations from occurring or to address them when they do.

To uphold the standards and objectives mentioned above, the Company encourages its Directors and employees, who have genuine concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

A vigil (whistle blower) mechanism provides a channel for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud, or violations of

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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the Code of Conduct or policy. The mechanism includes adequate safeguards against the victimization of employees and Directors who avail themselves of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases.

### **Scope of The Policy**

This Policy covers undesirable practices and events that have taken place or are suspected to have taken place, involving:

- Violation of the LTH Code;
- Gross wastage or misappropriation of company funds/assets, cheating or other similar criminal offenses;
- Intentional financial irregularities, including defalcation, fraud or suspected fraud;
- Benefiting oneself by abusing an official position or demanding or accepting valuable things without adequate consideration from persons having official dealings;
- Breach of business integrity, ethics, and abuse of authority;
- Deliberate violation of laws and regulations;
- Gross and wilful negligence causing substantial and specific danger to public health and safety;
- Pilfering of confidential/proprietary information;
- Blatant violation of terms and conditions of employment and related rules;
- Any other unethical, biased, favoured or imprudent event.

This Whistle Blower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company before seeking resolution outside the organization.

The Policy does not absolve employees from their duty of confidentiality in the course of their work, nor should it be used as a route for taking up personal grievances or raising bogus allegations.

### **Eligibility**

All employees including the Directors, Senior Management Personnel and the Associates of the Company are eligible to make disclosure(s) within the scope of this Policy.

LTH shall recommend adoption of this Whistleblower Policy to the Boards of its

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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Associates and Joint Ventures.

### **Guiding Principles**

To ensure that the Policy/LTH Code is being adhered to, the Company will ensure that:

- Disclosures are acted upon in a timely manner.
- The complete confidentiality of the whistle blower is maintained.
- The whistle blower and/or the person processing the disclosure is not subjected to victimization or unfair treatment.
- Evidence of the disclosure is not concealed, and appropriate action, including disciplinary action, is taken if anyone attempts to destroy or conceal such evidence.

### **Reporting of Disclosures**

The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy ensures that employees are empowered to proactively bring such instances to light without fear of reprisal, discrimination, or adverse employment consequences.

This Policy is not, however, intended to question financial or business decisions made by the Company that are not protected disclosures, nor should it be used as a means to reconsider any matters that have already been addressed, pursuant to disciplinary or other internal procedures of the Company. This Policy shall not be used:

- a. For raising grievances related to employees' own career/other personal grievances.
- b. For raising grievances related to the career of other employees/colleagues.
- c. Grievances arising out of the policies/procedures of the Company and any decision taken by the superior/management in this respect.
- d. Grievances related to such other similar issues like a. b. and c. hereinabove.

All disclosures should be reported in writing by the whistle blower as soon as possible after becoming aware of them, to ensure a clear understanding of the issues raised.

To make a more effective and controlled mechanism, employees may submit a disclosure to the Chairman's Office through any one of the following methods:

- By sending a letter in a sealed and secured envelope, and superscribed as "disclosure under the Whistle Blower Policy" to the Chairman's Office, Lemon

## LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY

For the Board of Directors, Senior Management and Employees

Tree Premier, Delhi Airport, Asset No. 6, Aerocity Hospitality District, New Delhi - 110037.

- By sending an email to [svp\\_hr@lemontreehotels.com](mailto:svp_hr@lemontreehotels.com) with the subject line "Disclosure under the Whistle Blower Policy".

However, employees may submit a disclosure anonymously without disclosing their identity. A disclosure received anonymously will be evaluated by the Company for investigation.

In exercising this discretion, the following factors will be taken into consideration:

- The seriousness of the issue raised;
- The creditability of the concern; and
- The likelihood of substantiating the allegations through attributable sources.

For all disclosures concerning the Vigilance Officer, Senior Management of the Company, and the Board, shall be forwarded to the Chairman of the Audit Committee of the Company.

<b>Name of the Chairman :</b>	Mr. Praveen Garg
<b>of the Audit Committee</b>	
<b>Address :</b>	Asset No. 6, Aerocity Hospitality District, New Delhi-110037
<b>E-mail :</b>	<a href="mailto:praveengargias@gmail.com">praveengargias@gmail.com</a>

All disclosures concerning all other employees shall be forwarded to the Vigilance Officer/Chairman of the Audit Committee of the Company as per the following details.

<b>Name of the Vigilance :</b>	Mr. Rajesh Kumar
<b>Officer</b>	
<b>Address :</b>	Asset No. 6, Aerocity Hospitality District, New Delhi-110037
<b>E-mail :</b>	<a href="mailto:svp_hr@lemontreehotels.com">svp_hr@lemontreehotels.com</a>

If a disclosure is received directly by the Chairman of the Audit Committee or Vigilance Officer, it shall be forwarded to the Chairman's Office by the respective individual, following initial investigations.

To protect the identity of the complainant, the Chairman of the Audit Committee and/or Vigilance Officer will not issue any acknowledgment to the complainants. Complainants are advised not to write their name or address on the envelope and not to engage in any further correspondence with the Chairman of Audit Committee or Vigilance Officer.

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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The Chairman of the Audit Committee or Vigilance Officer will ensure that, if any further clarification is required, they will directly contact the complainant.

This Policy is designed to protect genuine whistle blowers from any unfair treatment resulting from their disclosures. However, the misuse of this protection by filing frivolous or baseless complaints with mala fide intentions is strictly prohibited. Any employee who submits a complaint with dishonest intentions, which is later found to be false, will face strict disciplinary action.

The role of a whistle blower is that of a reporting party. Whistle blowers are not responsible for conducting investigations or determining the facts; nor they are authorised to decide the appropriate corrective or remedial action that may be necessary

While a whistle blower is not required to provide any information beyond what they wish to disclose, it is crucial for the Company to have all essential details to effectively evaluate and investigate the complaint. An investigation may be hindered if the complaint lacks critical information, such as specific allegations. Therefore, the complaint or disclosure should include as much detail and specificity as possible to facilitate the investigation, ensure a proper assessment of the nature and scope of the concern, and determine the urgency of conducting a preliminary investigation, as needed.

To the maximum extent possible, the complaint or disclosure must include the following details:

- The employee, and/or outside party or parties involved;
- The sector of the Company where the incident occurred (Location, Department, Office);
- Time frame of the incident (specific date, period or time);
- Type of concern (what happened);
  - Financial reporting;
  - Legal matter;
  - Management action;
  - Employee misconduct; and/or
  - Health & safety and environmental issues.
- Submit proof or identify where proof can be found, if possible;
- Contact information for further inquiries, if possible; and/or
- Any prior efforts made to address the issue, if applicable.

### **Receipt, Investigation and Disposal of Disclosures**



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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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On receipt of the disclosure, the Vigilance Officer or the Chairman of the Audit Committee, as the case may be:

- Shall make a record of the disclosure
- Shall also carry out the initial investigation either personally or by involving any other Officer of the Company, before referring the matter to the Audit Committee for further appropriate investigation and needful action. The record will include the following brief facts:
  - Whether the same disclosure was raised previously by anyone on the subject, and if so, the outcome thereof;
  - Details of actions taken by the Vigilance Officer/the Chairman of the Audit Committee processing the complaint
  - Findings and recommendations.

The Audit Committee, if deemed fit, may request additional information or details from the Vigilance Officer or complainant, as the case may be.

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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### **Investigation**

The decision to conduct an investigation is not an accusation and should be treated as a neutral fact-finding process. The Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and will have the opportunity to provide their input during the investigation. The Subject(s) have a duty to co-operate with the Vigilance Officer/the Chairman of the Audit Committee or any of the Officers appointed by them. Failure to cooperate in an investigation, or the deliberate provision of false information during an investigation, will result in strict disciplinary action, including the possibility of immediate dismissal. The Subject(s) have the right to consult with a person or persons of their choice, other than the Vigilance Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower. However, they have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and the witness shall not be influenced, coached, threatened or intimidated in any manner.

Unless there are compelling reasons not to do so, the Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrongdoing will be considered valid unless there is sufficient evidence to support it. The Subject(s) has the right to be informed of the outcome of the investigation. If the allegations are not sustained, the Subject(s) should be consulted on whether public disclosure of the investigation's results would be in the best interest of them and the Company.

The investigation shall normally be completed within 90 days of receiving the disclosure and may be extended for a period deemed appropriate by the Vigilance Officer or the Chairman of the Audit Committee.

All information disclosed during the course of the investigation will remain confidential, except when necessary or appropriate to conduct the investigation or take remedial action, in compliance with applicable laws and regulations. The Company reserves the right to refer any concerns or complaints regarding disclosure to relevant external regulatory authorities.

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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### **Disposal**

If an investigation leads the Vigilance Officer or the Chairman of the Audit Committee to conclude that an improper or unethical act has occurred, they shall recommend to the Company's management appropriate disciplinary and/or corrective action, commensurate with the severity of the offence. The Vigilance Officer or the Chairman of the Audit Committee, as applicable, shall forward a copy of the report/findings to the Chairman's Office. The Company may also take reasonable and necessary measures to prevent further violations that may have led to the complaint. It is clarified that any disciplinary or corrective action initiated against the Subject(s) as a result of the investigation findings in accordance with this Policy, shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

The Vigilance Officer shall submit regular reports to the Audit Committee detailing disclosures referred to him/her since the last report, along with the results of any investigations conducted.

A complainant who makes false allegations of unethical & improper practices or falsely accuses the Subject(s) of wrongful conduct to the Vigilance Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### **Protection**

No personnel who, in good faith, makes a disclosure or lodges a complaint in accordance with this Policy shall suffer reprisal, discrimination or any adverse employment consequences.

Accordingly, the Company prohibits discrimination, retaliation or harassment of any kind against a Whistle Blower, who, based on a reasonable belief that one or more disclosure has occurred or is occurring, reports such information. Any employee who retaliates against a Whistle Blower who has raised a disclosure or complaint in good faith will be subject to strict disciplinary action, including immediate termination of employment or termination of their relationship with the Company.

If any employee, who makes a disclosure in good faith, and believes that he/she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, must immediately report the matter to their supervisor, manager or designated point of contact. If, for any reason, they do not feel comfortable discussing the matter with these individuals, they should escalate the matter to the Chairman's

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## **LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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office, the Vigilance Officer or the Chairman of the Audit Committee in exceptional cases.

Such employee(s) must bring the matter to the Company's attention promptly so that any concern of reprisal, discrimination or adverse employment consequences can be investigated and addressed promptly and appropriately.

The company will take steps to minimise difficulties that the whistle blower may experience as a result of making the disclosure. The identity of the whistle blower will be kept confidential to the extent possible and permitted under law. Any other employee assisting in the investigation shall also be protected to the same extent as the whistle blower.

The whistle blower shall have right to directly access the Chairman of the Audit Committee in exceptional cases, and the Chairman of the Audit Committee is authorised to prescribe suitable directions in this regard.

### **Retention Of Documents**

The Vigilance Officer shall maintain documentation of all disclosures or reports subject to this Policy. The documentation shall include any written submissions from the complainant, any other Company documents identified in the complaint or deemed relevant by the Vigilance Officer/the Chairman of the Audit Committee, a summary of the date and manner in which the complaint was received, and any response to the complainant.

All such documentation shall be retained by the Vigilance Officer for a minimum of five (5) years or such other period as specified by any other law in force, whichever is greater, from the date of receipt of the complaint.

Confidentiality will be maintained to the extent reasonably practicable, depending on the requirements and nature of the investigation, as indicated above.

### **Amendment To This Policy**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

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**LTH VIGIL MECHANISM – WHISTLE BLOWER POLICY**

For the Board of Directors, Senior Management and Employees

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Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organisational changes within the Company.

However, no such amendment or modification will be binding on the employees and Directors unless it is notified to them in writing through circular(s), memo(s), email(s) or updates on the company's website [www.lemontreehotels.com](http://www.lemontreehotels.com)

The updated policy will be released with changes time to time.