



**ITC Limited**

Virginia House  
37 J. L. Nehru Road  
Kolkata 700 071, India  
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30<sup>th</sup> December, 2024

The Manager  
Listing Department  
National Stock Exchange of  
India Ltd.  
Exchange Plaza,  
Plot No. C-1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051

The General Manager  
Dept. of Corporate Services  
BSE Ltd.  
P. J. Towers  
Dalal Street  
Mumbai 400 001

The Secretary  
The Calcutta Stock  
Exchange Ltd.  
7, Lyons Range  
Kolkata 700 001

Dear Sirs,

**Presentation on demerger of Hotels Business - update**

Further to our letter dated 25<sup>th</sup> November, 2024 enclosing a copy of the presentation on the Company's Hotels Business (to be demerged into ITC Hotels Limited), we enclose herewith an update on the said presentation.

Copy of the said update also being hosted on the Company's corporate website **[www.itcportal.com](http://www.itcportal.com)** .

Yours faithfully,  
ITC Limited

(R. K. Singhi)  
Executive Vice President &  
Company Secretary

Encl: as above



cc: Securities Exchange Commission  
Division of Corporate Finance  
Office of International Corporate Finance  
Mail Stop 3-9  
450 Fifth Street  
Washington DC 20549  
U.S.A.

cc: Societe de la Bourse de Luxembourg  
35A Boulevard Joseph II  
L-1840 Luxembourg



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

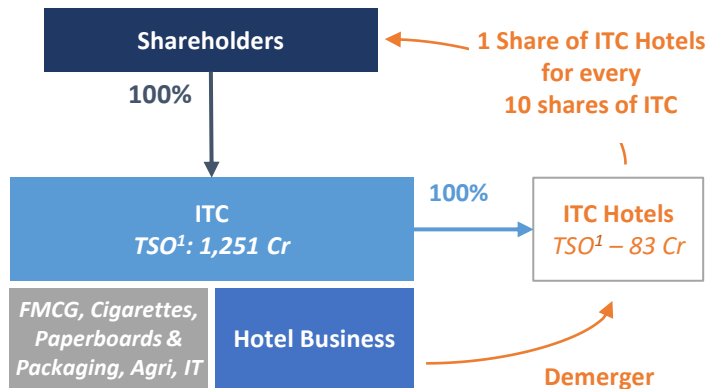
# Update on Demerger of Hotels Business Investor Presentation

30<sup>th</sup> December, 2024

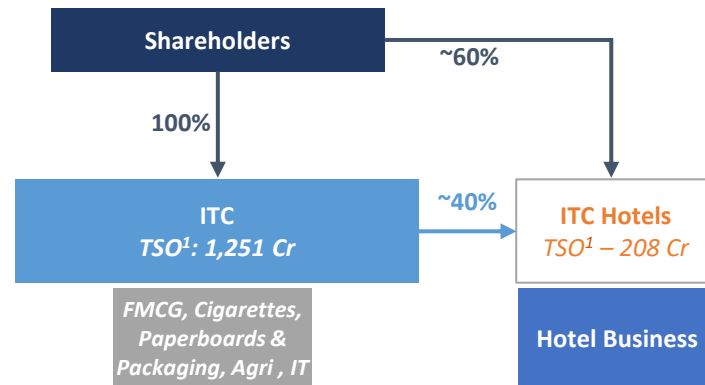
*This presentation contains certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the Company exercises no control. Therefore there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in the Company's portfolio, changes in Government regulations, tax regimes and other statutes, and the ability to attract and retain high quality human resource.*

- ▶ **Certified copy of the Order** of Hon'ble National Company Law Tribunal ('NCLT Order'), Kolkata Bench, sanctioning the Scheme, received on **December 16, 2024**
- ▶ ITC and ITC Hotels mutually acknowledged that all conditions specified in Clause 28 of the Scheme have been satisfied, including filing of the NCLT Order with the Registrar of Companies, West Bengal
- ▶ **Appointed Date** and **Effective Date** of the Scheme to be **January 1, 2025**
- ▶ **Record Date** fixed as **January 6, 2025** for purposes of determining the shareholders of ITC to whom equity shares of ITC Hotels would be allotted pursuant to demerger
- ▶ ITC Hotels to file application with Stock Exchanges/ SEBI for listing its shares, post allotment
  - Shares to be listed within 60 days from date of receipt of NCLT Order (i.e. December 16, 2024) as per SEBI Master Circular dated June 20, 2023

## Demerger



## Resultant Structure



## Transaction Overview

- Demerger of ITC's Hotel Business into ITC Hotels through a Scheme of Arrangement approved by National Company Law Tribunal  
**Appointed Date/ Effective Date: January 1, 2025 | Record Date: January 6, 2025**
- ITC Hotels to issue equity shares directly to the shareholders of ITC in a manner that about 60% stake is held directly by ITC shareholders proportionate to their shareholding in ITC and remaining about 40% stake to continue with ITC  
*- Overall, existing ITC shareholders will hold 100% of ITC Hotels, i.e. about 60% directly and balance of about 40% through their shareholding in ITC*



## Intellectual property/ trademarks exclusively used in relation to Hotels Business being transferred to ITC Hotels

*ITC and ITC Hotels to execute a Trademarks License Agreement under which ITC Hotels would be given a license to use:*

- *the 'ITC' trademark/ logo/ label/ wording, along with any copyrights derived from such Trademark; and*
- *the 'Bukhara', 'Dum Pukht' & 'Dakshin' trademarks/ logos/ labels/ wordings, along with any copyrights derived from such Trademarks*



## Properties, assets, investments, employees, liabilities & contracts forming part of Hotels Business being transferred

- *Operating Service Agreement to be executed between ITC and ITC Hotels to operate & manage ITC Grand Central, Mumbai*
- *Identified assets such as offices, managerial/ staff housing, etc. pertaining to Hotels Business being transferred to ITC Hotels*
- *Cash & cash equivalents of Rs. 1500 cr. to cater to planned growth & contingency requirements*



## Investments in Hospitality Entities, forming part of Hotels Business, being transferred to ITC Hotels

- *Hospitality Entities: Bay Islands Hotels Ltd.; Fortune Park Hotels Ltd.; Landbase India Ltd.; Srinivasa Resorts Ltd.; WelcomHotels Lanka Pvt. Ltd.; Gujarat Hotels Ltd.; International Travel House Ltd.; Maharaja Heritage Resorts Ltd.*
- *Financial Investments (EIH Ltd. & HLV Ltd.) and non-operational investments (Logix Developers Pvt. Ltd.) not being transferred, as envisaged in the Scheme*



## Employees engaged in/ related to Hotels Business being transferred to ITC Hotels

- *Employment terms to be no less favourable than their existing terms of employment with ITC*
- *Transferred employees to become employees of ITC Hotels with continuity of service*



- ▶ **Transition Service Agreement being signed by ITC and ITC Hotels – Accounting, Tax, Legal, Secretarial, IT etc.**
- ▶ **All Related Party Transactions will be undertaken on arm's length basis**





## CONTINUED INVESTMENT TO ENHANCE BRAND EQUITY



### Key Differentiators

- Indigenous Experiences
- Signature cuisines
- Responsible Luxury
- World Class Loyalty Programs – Club ITC & Club ITC Culinaire



## ASSET RIGHT



- Bouquet of brands catering to relevant need spaces
- Target to achieve 2/3rd Managed portfolio share in next 5 years



## DIGITAL FIRST



- Smart Revenue Management
- Customer intimacy
- Productivity and efficiency



## CAPITAL PRODUCTIVITY



- Sweating existing assets
- Augment new revenue streams
- Extreme Cost and Margin focus



## EMPLOYER OF CHOICE



- Strong Talent Pool
- Robust L&D programmes
- D & I amongst best in industry



Strong **Zero Debt Balance Sheet & Cash Generation** to accelerate growth



**Capital Investments** → Renovations | on-going Projects | new Greenfields & others

- Estimated at **c.8-10% of Revenue** cumulatively



Well positioned to execute selective **Inorganic Opportunities**

- **Value accretive M&A | Alliances**



CLUB  ITC



## Owned Hotels

- ▶ Significant headroom to drive RevPar growth
- ▶ About 20% Inventory < 5 years old, operating at 75% of potential Occupancy levels
- ▶ ITC Ratnadipa, Colombo → significant contributor to Revenue & EBITDA going forward

## Upcoming projects

- ▶ 300+ rooms# being planned under Owned Hotels
- ▶ Greenfield project at Puri; Expansion at Bhubaneswar
- ▶ Leverage strategic Land Bank

# including 102 rooms at ITC Ratnadipa, Colombo

## Managed Hotels

- ▶ Increased interest among Asset Owners
- ▶ Robust pipeline of 45 Managed Hotels with about 4000 Keys
- ▶ 2.5x growth targeted in Management Fees by FY30



Welcomhotel Puri

**118 Keys by FY28**



Welcomhotel Bhubaneswar

**100+ Keys  
12k sqft. banquets expansion**



# Robust Growth Pipeline: 46 Hotels with ~4300 Keys



MEMENTOS  
BY ITC HOTELS

**1 Hotel**  
**223 Keys#**



WELCOMHOTEL  
BY ITC HOTELS

**13 Hotels**  
**1796 Keys**



STORII  
BY ITC HOTELS

**10 Hotels**  
**578 Keys**



FORTUNE  
Member ITC's hotel group

**18 Hotels**  
**1439 Keys**



WelcomHeritage  
Palaces • Forts • Havelis • Resorts

**4 Hotels**  
**162 Keys**

- ▶ Opened **28** Managed Hotels in the past 24 months (Nov 2022 – Oct 2024)
- ▶ **High Quality of signed pipeline**; High salience of **Brownfield Assets**
  - > 1 Hotel opening per month for next 24 months
  - Leverage momentum to accelerate further
- ▶ Targeting **200+** hotels with **18000+** keys over **5 years**, with 2/3<sup>rd</sup> salience of Managed Portfolio

# Unlocking Full Potential of Recent Launches



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***Significant headroom for growth***  
***About 20% Inventory operating at 75% of potential Occupancy levels***

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***Significant contributor***  
***to Revenue & EBITDA***  
***in the years ahead***

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# ITC Ratnadipa, Colombo A Jewel in Colombo's Skyline

One of its Kind Mixed Use Development  
352 Hotel Keys + 132 Luxury Apartments



ITC Ratnadipa, Colombo

# Deliveries to commence in 2025

9  
**Signature Dining**  
Destinations

**71,000 sqft.**  
Retail & Office Spaces  
**40,000 sqft.**  
Banqueting Spaces

Investment Outlay  
**Substantially**  
**Completed**

Sale of  
**Sapphire Residences<sup>#</sup>**  
underway  
(7.3 lakh sqft.)



*Unique luxury apartments with interiors designed by Philippe Starck (YOO)*  
*Most Exclusive and Spacious Elevated living experience in Sri Lanka*  
*Located at epicentre of Galle Face Oceanfront*





**THANK YOU**



# Annexure: Pro forma Financials of ITC Hotels

Particulars (in Rs. cr.)	H1 FY25	FY24	FY23	FY22
Revenue from Sale of Products and Services	1457	3003	2599	1308
Other Operating Revenue	15	31	30	12
<b>Revenue From Operations</b>	<b>1471</b>	<b>3034</b>	<b>2629</b>	<b>1320</b>
Other Income	17	35	24	24
<b>Total Income</b>	<b>1489</b>	<b>3069</b>	<b>2654</b>	<b>1344</b>
Cost of Goods Sold	164	296	265	148
Employee Benefits Expense	323	586	541	461
Finance Costs	3	7	7	7
Depreciation and Amortization expense	200	298	292	264
Other Expenses	571	1147	1015	639
<b>Total Expenses</b>	<b>1261</b>	<b>2335</b>	<b>2121</b>	<b>1519</b>
<b>EBITDA</b>	<b>413</b>	<b>1004</b>	<b>808</b>	<b>71</b>

## Notes

1. Above represents Consolidated Financial Statements of Hotels Business, excluding ITC Grand Central, Mumbai
2. Amounts rounded off