



ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
Tel. : 91 33 2288 9371
Fax : 91 33 2288 4016 / 1256 / 2259 / 2260

24th July, 2023

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,

**Intimation under Regulation 30 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We write to inform that, pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the Board of Directors (“**Board**”) of ITC Limited (“**Company**”), at its meeting held today i.e., 24th July, 2023, evaluated and discussed various alternative structures for the Hotels Business.

After due consideration, the Board accorded its in-principle approval to the demerger of Hotels Business under a scheme of arrangement, with the Company holding a stake of about 40% in the new entity and the balance shareholding of about 60% to be held directly by the Company’s shareholders proportionate to their shareholding in the Company.

The scheme of arrangement shall be placed for approval of the Board at its next meeting to be convened on 14th August, 2023. Appropriate announcements and public disclosures in accordance with the SEBI Listing Regulations and other applicable laws will be made as necessary.

To progress the proposed reorganisation as aforesaid, the Board has also approved incorporation of a wholly owned subsidiary (“**WOS**”) of the Company. The disclosures in respect of the said WOS, are attached as Annexure - I to this letter.



A copy of the Media Statement providing further details on the subject matter is also attached, marked Annexure - II.

The Board Meeting commenced at 11:00 a.m. and concluded at 02:00 p.m.

Yours faithfully,
ITC Limited

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

Enclosed: a/a



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

Annexure I

The following disclosures are in respect of the company which is in the process of being incorporated:

Sl. No.	Particulars	
1.	Name of the target entity, details in brief such as size, turnover etc.;	Name of the wholly owned subsidiary proposed to be incorporated is “ITC Hotels Limited” or such other name as may be approved by the relevant authorities (“WOS”).
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”;	<p>WOS will be a related party of ITC Limited (“Company”).</p> <p>The Company does not have a promoter / promoter group.</p> <p>Save and except what is mentioned above, none of the group companies are interested in the WOS.</p>
3.	Industry to which the entity being acquired belongs	Hotels and hospitality
4.	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	To progress the reorganisation of the Hotels Business which is currently under evaluation by the Board of the Company.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	None
6.	Indicative time period for completion of the acquisition	Application for incorporation of the WOS is in the process of being filed and will be completed once the Ministry of Corporate Affairs approves the incorporation of the WOS.

7.	Consideration - whether cash consideration or share swap or any other form and details of the same	The Company will be paying cash consideration to WOS towards subscription of shares of face value of ₹ 1/- each at par, not exceeding ₹ 100 crores in aggregate.
8.	Cost of acquisition and / or the price at which the shares are acquired	As mentioned above, the Company proposes to subscribe shares of WOS of face value of ₹ 1/- each at par, not exceeding ₹ 100 crores in aggregate.
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	The Company will own 100% of the issued and subscribed share capital of the WOS at the time of incorporation.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	As mentioned above, the WOS will be newly incorporated, with main object being Hotels and hospitality business.



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Media Statement
July 24, 2023

ITC Board accords in-principle approval to demerge the Hotels Business into a new entity to be listed pursuant to a scheme of arrangement

Proposed Reorganisation

The Board of Directors (“the Board”) of ITC Limited (“the Company”), at its meeting held today, evaluated and discussed various alternative structures for the Hotels Business towards crafting the next horizon of growth as also enhancing value creation for all stakeholders.

The Board noted that the Company’s Hotels Business has matured over the years and is well poised to chart its own growth path as a separate entity in the fast-growing hospitality industry with sharper focus on the business and an optimal capital structure, whilst continuing to leverage ITC’s institutional strengths, brand equity and goodwill.

After due consideration, the Board accorded its in-principle approval to the demerger of the Hotels Business under a scheme of arrangement; with the Company holding a stake of about 40% in the new entity and the balance shareholding of about 60% to be held directly by the Company’s shareholders proportionate to their shareholding in the Company. The proposed reorganisation would ensure continued interest of the Company in the hospitality business, provide long term stability and strategic support to the new entity in its pursuit of accelerating growth and sustained value creation as also enable leveraging of cross synergies between the Company and the new entity.

The demerger will help the new entity in attracting appropriate investors and strategic partners/ collaborations whose investment strategies and risk profiles are aligned more sharply with the hospitality industry. In addition, it will unlock value of the Hotels Business for the Company’s shareholders by providing them a direct stake in the new entity along with an independent market driven valuation thereof. This move by the Company also reinforces the sharper capital allocation strategy put in place in recent years, manifest in the pivot to ‘asset-right’ strategy in the Hotels Business.

Details of the proposed reorganisation, including the scheme of arrangement, shall be placed for approval of the Board at its meeting to be convened on 14th August, 2023. To progress the proposed reorganisation as aforesaid, the Board has also approved incorporation of a wholly owned subsidiary of the Company, to be named ITC Hotels Limited or such other name as may be approved by the Ministry of Corporate Affairs.

ITC’s Hotels Business & Industry Outlook

Over the last two decades or so, ITC’s Hotels Business has scaled up significantly in terms of room inventory, Revenue and Profits, and has established itself as a

pioneer in green hoteliering anchored on its 'Responsible Luxury' ethos. Today, with over 120 hotels and 11,600 keys across 70+ locations, the ITC Hotels group is renowned for its world-class properties, iconic cuisine brands and unparalleled service standards. The Business today ranks amongst the fastest growing hospitality chains in the country with marquee brands viz., 'ITC Hotels' in the Luxury segment, 'Welcomhotel' in the Premium segment, 'Fortune' in the Mid-market to Upper-upscale segment and 'WelcomHeritage' in the Leisure & Heritage segment. Having achieved considerable scale and market standing, the Business in 2017 pivoted to an 'asset-right' strategy which envisages a substantial part of incremental room additions to accrue through management contracts. Accordingly, two new brands, 'Mementos' in the Luxury Lifestyle segment and 'Storii' in the Premium segment, have also been launched recently to offer varied experiences to new age travelers.

After 2 years of pandemic-led disruptions, the Indian hospitality industry has bounced back strongly with significant improvement in room rate and occupancy. ITC's Hotels Business has also emerged stronger and has delivered robust growth and margin expansion in FY 2022-23 and is well poised to sustain the growth momentum.

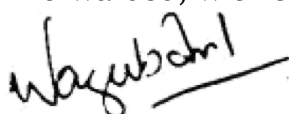
The Indian Hospitality industry is expected to witness rapid growth going forward. The key drivers of growth include the strong macroeconomic fundamentals and growth prospects of the Indian economy, increasing affluence and favourable demographic profile of India's population, Government of India's thrust on the Travel & Tourism sector which ranks amongst the highest in industry in terms of economic multiplier impact and employment generation, significant investment in infrastructure including airports & highways, leading to improved connectivity and favourable demand-supply dynamics in the industry.

Commenting on the proposed reorganization, Mr Sanjiv Puri, Chairman of ITC Limited said:

"The proposed demerger of the Hotels Business is testament to the Company's commitment to creating sustained value for stakeholders. Creation of a hospitality focused entity will engender the next horizon of growth and value creation by harnessing the exciting opportunities in the Indian hospitality industry. In the proposed reorganization, both ITC and the new entity will continue to benefit from institutional synergies."

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Forwarded, with compliments,



Nazeeb Arif
Executive Vice President & Head,
Corporate Communications,
ITC Limited