



**ITC Limited**  
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Kolkata 700 071, India  
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27<sup>th</sup> January, 2025

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,

**Apportionment of cost of acquisition of Ordinary Shares of ITC Limited  
and Equity Shares of ITC Hotels Limited**

In connection with the Scheme of Arrangement amongst ITC Limited (ITC) and ITC Hotels Limited (ITCHL) and their respective shareholders and creditors for demerger of the Hotels Business of ITC into ITCHL, please find enclosed communication being issued for general guidance towards apportionment of cost of acquisition of the Ordinary Shares of ITC and the Equity Shares of ITCHL.

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

## GENERAL GUIDANCE FOR THE SHAREHOLDERS

1. The Hon'ble National Company Law Tribunal, Kolkata Bench, vide Order dated October 4, 2024, has sanctioned the Scheme of Arrangement amongst ITC Limited ('ITC') and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors ('Scheme') providing, *inter alia*, for demerger, transfer and vesting of the Hotels Business (Demerged Undertaking as defined in the Scheme) from ITC into ITCHL on a going concern basis and issue of Equity Shares by ITCHL to the shareholders of ITC in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961 ('the Act'). The Scheme became effective from 1<sup>st</sup> January, 2025.
2. In accordance with the provisions of the Scheme, ITCHL has allotted 125,11,71,040 Equity Shares of ₹ 1/- each to the shareholders of ITC whose names were recorded in the Register of Members of ITC or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date (i.e., January 6, 2025) in the ratio of 1 (One) fully paid-up Equity Share of ₹ 1/- (Rupee One) each for every 10 (Ten) fully paid-up Ordinary Shares of ₹ 1/- (Rupee One) each held in ITC ('Share Entitlement Ratio').
3. For the purpose of determining post demerger cost of acquisition of the Ordinary Shares of ITC and the Equity Shares of ITCHL, shareholders may apportion their total cost of acquisition of ITC shares in the following manner:

Sl. No.	Name of the Entity	% of Total Cost of Acquisition of Ordinary Shares of ITC Limited
1	ITC Limited	86.49
2	ITC Hotels Limited	13.51

For example, if 1,000 Ordinary Shares of ITC were purchased at ₹ 400/- per share by a shareholder, the total cost of acquisition would amount to ₹ 4,00,000/- before the demerger. Based on the Share Entitlement Ratio, 100 shares of ITCHL would be allotted to the said shareholder. The total cost of acquisition of ₹ 4,00,000/- would be apportioned in the aforesaid ratio - ₹ 3,45,960/- (86.49% of ₹ 4,00,000/-) being the total cost of acquisition of 1,000 ITC shares and ₹ 50,040/- (13.51% of ₹ 4,00,000/-) being the total cost of acquisition of 100 shares of ITCHL.

4. It may be noted that as per Section 47(vii) of the Act, the aforesaid issue of Equity Shares by ITCHL pursuant to the Scheme will not be regarded as transfer; further, in terms of Explanation 1(i)(g) to Section 2(42A) of the Act, the date of acquisition of the Ordinary Shares of ITC will be deemed to be the date of acquisition for the Equity Shares of ITCHL.

*Please note that this communication is merely for general guidance to the shareholders and should not be construed as a substitute for any independent opinion that shareholders may obtain. Shareholders are advised to consult their own consultants / tax advisors to understand specific tax implications in their respective cases. ITC takes no express or implied liability in relation to this guidance.*

