

DARKHORSESTOCKS

TATA INVESTMENT CORPORATION

NOWHERE TO GO BUT ONLY UP



Tata Group was
Established in 1868, it
is India's largest
conglomerate, with
products and services
in over 150 countries,
and operations in 100
countries across six
continents.

100%

Potential Upside
Possible

WHATSAPP

—Send "subscribe" to
"+91-7874999975" for
one new fundamentally
strong idea every week.

FACEBOOK — @darkhorsestocks

INSTAGRAM — @darkhorsestocks

WEBSITE www.darkhorsestocks.in

KEY STATISTICS

MCAP-: 5356 CR

ROCE-: 1.5%

OPM-: 88%

BV-: RS 2814

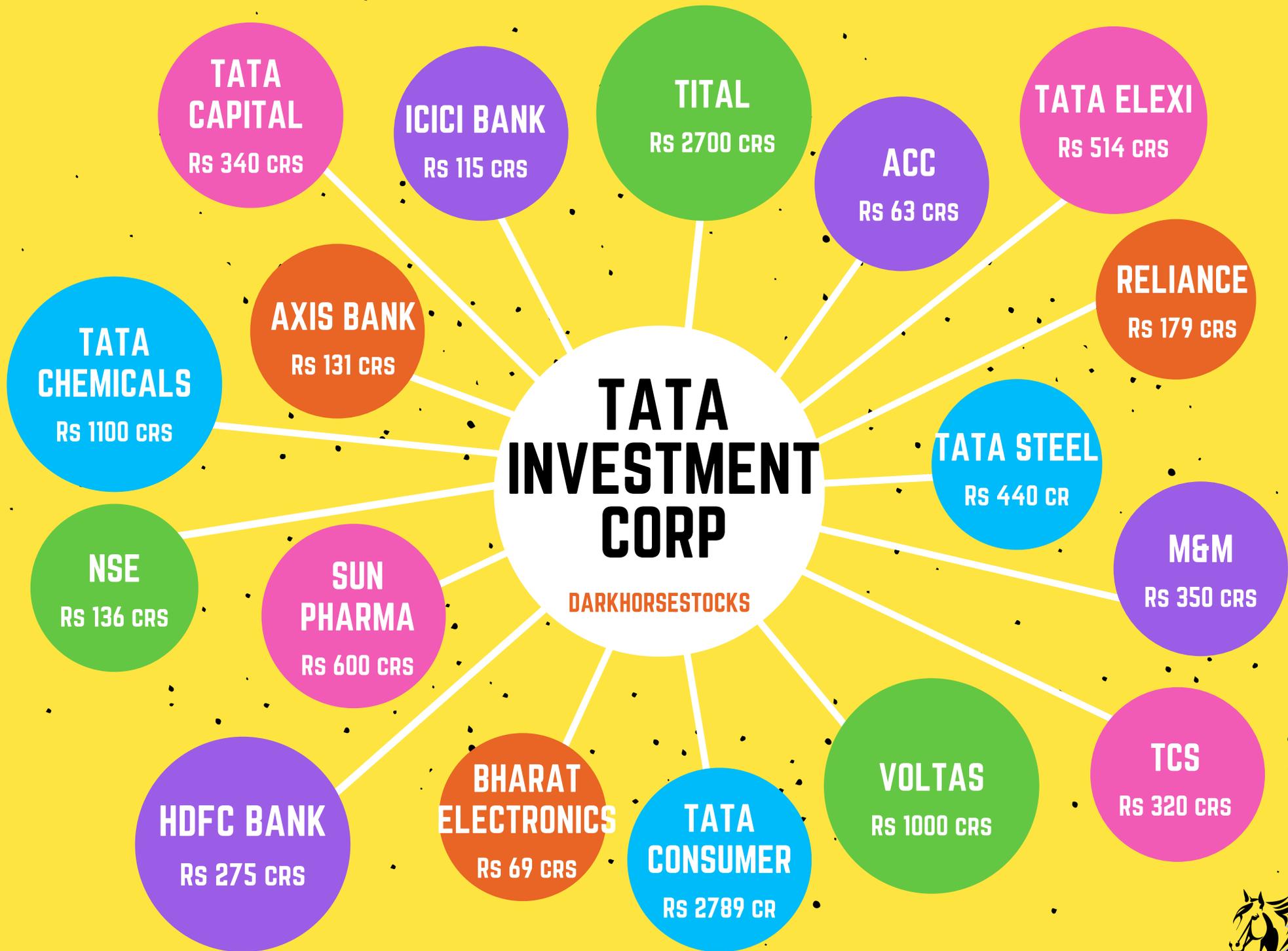
INVESTMENTS-:RS14800 CR

PROMOTER HOLDING-:
73.38%

RESERVES-: RS14000 CR

DIV YIELD-: 2.27%

The healthiest treats
delivered to your door



The investment values have been adjusted based on the quantity of shares held as of March 2020 and the current market price of those shares.



About Tata Investment Corporation

Tata Investment is completely debt-free, with 68.51% of the company being owned by Tata Sons. The Company's activities comprises primarily of investing in long term investments in equity shares, debt instruments, listed and unlisted, and equity related securities of companies in a wide range of industries. The major sources of income of the Company consist of dividend, interest and profit on sale of investments.

BASIC UNDERSTANDING

What exactly do we understand by the concept of a holding company?

It is the company that holds the promoter shareholding in group companies. The stake in group companies may either be a controlling stake or a minority stake but the value of these investments actually becomes the portfolio value of the holding company.

What are the other examples of holding companies?

Tata Sons (the holding company for the Tata Group) and Bajaj Holdings (the holding company for the Bajaj Group), JSW Holdings , STEL Holdings etc

At what discount do holding companies trade?

HoldCos trade at a discount to the underlying Net Asset Value (NAV) of their holdings. These discounts tend to range between 5-20%. HoldCos in India are unique because the HoldCo discount is sometimes exceptionally high, ranging from 50-80%.

WHY DO THEY TRADE AT DISCOUNT?

First the holding companies are normally valued based on the liquidation value of the investments. But that is something that cannot be realised as the holding company will rarely sell of their investments in the group companies. Hence the market value for such holding companies is more theoretical than practical.

Second, there is the all important aspect of capital gains tax that has to be paid if the shares are transferred. This will anyways reduce the effective value of the investments.

And last, internal policies will prevent the holding company from realising the value of shares and that is also factored into the discounted pricing.

**READ FULL REPORT FOR MORE
INFORMATION**

Follow Us

WWW.DARKHORSESTOCKS.IN

Suggesting only one fundamentally strong idea every week.

Do share and Join.



**WHATSAPP LINK
AVAILABLE ON
WEBSITE**

We don't Spam , Advertise or send unnecessary messages.