# TRUSTING THE FAMILY: A SHORT HISTORY OF TATA SONS OWNERSHIP

The weight and might of the 18 per cent stake in Tata Sons inherited by Cyrus Mistry's father Pallonji Shapoorji played a key role in him trumping international competition to take up the corner office in Bombay House. This stake will come into play again if things turn less friendly between the Mistrys and their fellow shareholders:

Sir Dorabji Tata Trust and Sir Ratan Tata Trust, which between them own 66 per cent and are headed by Ratan Tata. Here's a look at how the Mistrys and the trusts came to own their Tata Sons shares:



# FRAMROZE EDULJI DINSHAW

Landlord: Advisor. friend and lender of last resort for Tatas

# In 1924-26

FE Dinshaw lends ₹2 crore to bail out Tata Steel and Tata Hydro

Tatas agree to pay 25% share in profits of Tata Steel and 12.5% of profits in Tata Hvdro

### 1930s

Dinshaw's debt gets converted to equity of 12.5% in Tata Sons

## SHAPOORJI PALLONJI MISTRY

Dinshaw dies. Shapoorji Pallonji buys his 12.5% stake from Dinshaw's heirs



Pallonji Shapoorji, son of Shapoorji Pallonji, inherits the Tata stake

Rights issue: Stake up to 18.5%

Pallonji Shapoorji sells in Tata Sons buyback to bring down stake to 18%

Pallonji retires on turning 75. Younger son Cyrus Pallonji Mistry steps in as director

### CURRENT SHAREHOLDING OF TATA SONS:

TRUSTS - 66%\*, PALLONJI SHAPOORJI - 18%. TATA GROUP FIRMS - 13%, TATA FAMILY MEMBERS, OTHERS - 3%

\* Trusts' shareholding has reduced slightly since 2003 Source: Media reports, Wikipedia, Tata Central Archives, ACC



# RATANJI DADABHOY

(RD) TATA (owns Tata & Co)

RD Tata dies, leaving his entire estate and debts to eldest son IRD



# J.R.D. TATA becomes

second largest shareholder in Tata Sons

JRD divides shareholding equally with siblings Sylla, Darab, Jimmy and Rodabeh

## 1936-38

Sylla and Darab sell more shares to Shapoorji, taking his stake to 17.5%

## 1938

JRD ascends to the top post

CYRUS MISTRY takes over as chairman of Tata sons Ratan Tata steps down; retains the position as chairman of trusts

2016

Ratan returns replacing Mistry on Tata sons board as interim chairman



**SIR RATAN** 

TATA

SONS

Navajbhai adopts

Ratan and Noel Tata

Naval, father of

# 1904

After Jamsetji's death, his two sons Dorab. Ratan and cousin RD Tata merge companies to form the modern-day

Tata Sons

JAMSETJI

NUSSURWANJI TATA (owns Tata & Sons)



SIR DORAB TATA

1918

Sir Ratan bequeaths close to 40% stake in Tata Sons to Sir Ratan Tata Trust (SRTT) and small portion to widow Navajbhai

Sir Dorab dies. leaving close to 40% in Tata Sons to Sir Dorabji Tata Trust (SDTT)

**RATAN TATA** takes over as chairman

SDTT and SRTT now own 80% in Tata Sons. F E Dinshaw 12.5%

Tata Sons rights issue. Trusts don't subscribe, their stake falls to 66%

## 2003

In the run-up to TCS IPO, Tata Sons announces buyback of up to 20%. Trusts don't participate, stake increases to 68%

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