

# THE LISTING QUESTION

THE TATA-MISTRY RELATIONSHIP HITS FRESH TURBULENCE AS THE SP GROUP'S PUSH TO LIST TATA SONS COLLIDES WITH THE TRUSTS' RESOLVE TO STAY PRIVATE.

BY **KRISHNA GOPALAN** —

ILLUSTRATION/AI BY **NILANJAN DAS**



## BOMBAY HOUSE

FROM LEFT • **N. CHANDRASEKARAN**, CHAIRMAN, TATA SONS • **NOEL TATA**, CHAIRMAN, TATA TRUSTS  
• **SHAPOORJI MISTRY**, CHAIRMAN, SHAPOORJI PALLONJI GROUP



**A little after 6 p.m. on October 10, as Mumbai wound down for the weekend, a rare communiqué arrived in newsroom inboxes. Shapoorji Pallonji Mistry, the reticent head of one of India's oldest business houses, had broken his silence.**

**The two-page statement, signed personally by Mistry, was calm in tone but seismic in implication. It called once again for “transparency and good governance through the public listing of Tata Sons”—the holding company at the centre of India's largest conglomerate. For the 160-year-old Shapoorji Pallonji (SP) Group, the second-largest shareholder in Tata Sons with an 18.4% stake, the demand was not new. But the timing was telling.**

Earlier that same day, the board of Tata Trusts, which owns about two-thirds of Tata Sons, had met at the iconic Taj Mahal Palace Hotel in Mumbai. The meeting was held just two days after the first anniversary of Ratan Tata's death and days after Trusts Chairman Noel Tata and Tata Sons Chairman N. Chandrasekaran met Union Home Minister Amit Shah and Finance and Corporate Affairs Minister Nirmala Sitharaman in New Delhi.

The meetings did little to clear the air amid murmurs of disquiet within the Trusts. “It was business as usual,” says one insider, adding “nothing hinted at the brewing storm.”

But as Mistry's statement showed, the storm had already arrived—in the form of a renewed pub-

lic demand to list Tata Sons, and by extension, shine a light on the governance of India's most influential corporate structure.

## THE HEART OF THE MATTER

At the core of this renewed confrontation lies a simple, strategic question: should Tata Sons—the unlisted holding company that controls India's largest industrial empire—remain private, or is it time to subject it to financial sector regulations?

In his statement, Mistry wrote that the public listing of Tata Sons was not merely a financial act, but “a moral and social imperative” that would unlock value “for over 1.2 crore shareholders of listed Tata companies, who are indirect shareholders of Tata Sons.” He argued that the listing would “pave the way for a robust and equitable dividend policy, ensuring sustained inflows to Tata Trusts,” and that the move was “completely in consonance with the ideals of Jamsetji Tata.”

The SP Group's 18.4% stake, acquired over generations since 1936, represents the largest non-trust shareholding in Tata Sons. At current valuations, it is worth about ₹3 lakh crore, according to Infomercials Ratings. For the debt-laden SP Group, a listing could offer both transparency and liquidity.

And yet, behind this call for transparency lies a deeper strain—a financial and strategic compulsion born of debt and diminished cash flow.

## DEBT, DEADLINES AND DIFFICULT DECISIONS

Why did the SP Group choose this moment to restate its case? The answer, at least in part, lies in its balance sheet numbers.

Over the last five years, the group has undertaken one of the most complex deleveraging exercises in Indian corporate history. ICRA, in its February 2025 note, reaffirmed ratings with a “negative outlook,” citing “continued stress on the liquidity position.” The report

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## STRESS POINTS



**Tata Trusts is the majority shareholder (65.3%) of Tata Sons. There are disagreements among trustees, with two clear groups emerging**



**The resignation of Vijay Singh, a Trust nominee, from Tata Sons in September was the tipping point. A proposal to appoint Mehli Mistry to the board shot down**





## GROUP STAKE IN TATA SONS

**18.4%** (VALUED  
~**₹3 LAKH CRORE**  
AS OF FEB 2025,  
SAYS INFOMERICS)

## GROUP DEBT (CONSOLIDATED)

~**₹55,000 CRORE**  
(AS OF FY24)

## DEBT OF SHAPOORJI PALLONJI & CO. PVT. LTD.

**₹20,000 CRORE** (MAR  
2024), DOWN FROM  
**₹37,000 CRORE**  
(AUG 2020)

## FY24 REVENUE

**₹8,147 CRORE**  
**PAT ₹886 CRORE**

## FY23

LOSS OF **₹679 CRORE**

## MAJOR ASSET SALES

GOPALPUR  
PORT - **₹2,000 CRORE**;  
STERLING & WILSON  
RENEWABLE ENERGY -  
**₹838 CRORE**

## RECENT FUNDRAISING

**\$3.4 BILLION PRIVATE**  
CREDIT DEAL (MAY 2025),  
ZERO-COUPON RUPEE  
BONDS, 19.75% YIELD

## UPCOMING REPAYMENT

**\$1.2 BILLION**  
REPAYMENT DUE  
DECEMBER 2025

## ICRA OUTLOOK

"NEGATIVE" — LIQUIDITY  
STRESS PERSISTS,  
DEPENDENT ON ASSET  
MONETISATION

# SP GROUP'S DEBT

highlighted "delay in funding tie-ups, subdued operating profitability from engineering, procurement and construction operations and weak coverage metrics in FY24 and H1 FY25."

The numbers tell their own story. For FY24, Shapoorji Pallonji and Company Pvt. Ltd. reported revenue of ₹8,147 crore and profit after tax of ₹886 crore, compared to a ₹679 crore loss in FY23. External debt stood at ₹20,000 crore as of March 2024, down from ₹37,000 crore in 2020, but at the group level, consolidated liabilities were still upwards of ₹55,000 crore.

To pare this down, the group has been selling assets. Among the biggest moves: monetising its Gopalpur, Odisha, port stake for ₹2,000 crore, selling its holding in Sterling & Wilson Renewable Energy for ₹838 crore, and listing Afcons Infrastructure. In May, the group also struck a \$3.4 billion private credit deal, selling zero-coupon rupee bonds with an effective yield of nearly 19.75%, one of the costliest private credit raises in India.

With a \$1.2 billion foreign loan repayment due this December, the clock is ticking.

Listing Tata Sons would not only unlock liquidity but,

Senior officials  
from Tata Trusts  
and the group  
have called on  
government top  
brass for a  
resolution



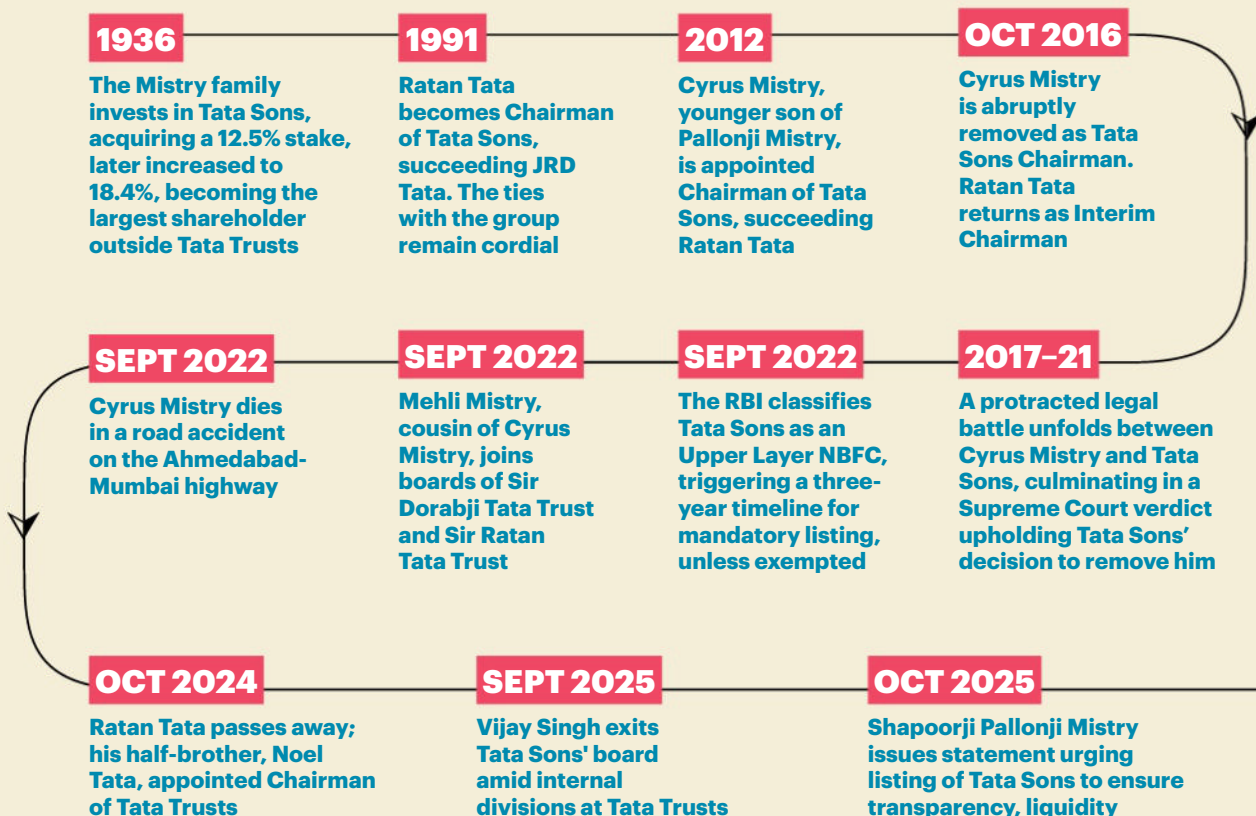
The Mistry family, which  
owns 18.4% in Tata Sons,  
wants the  
entity to be listed.  
It needs the money to  
repay its huge debt



The Tata group  
is in the midst of  
a massive \$90  
billion capex. It  
is critical that the  
plans are not  
affected

# THE TATA-MISTRY SAGA

THE SP GROUP HAS STOOD BY THE TATA GROUP THROUGH THICK AND THIN. NOW, IT SAYS A LISTING OF TATA SONS WILL PAVE THE WAY FOR A “ROBUST AND EQUITABLE DIVIDEND POLICY”



from the SP Group's standpoint, also align with what Mistry described as "the truest form of respect for both legacy and the future" transparency.

## THE REGULATORY CROSSROADS

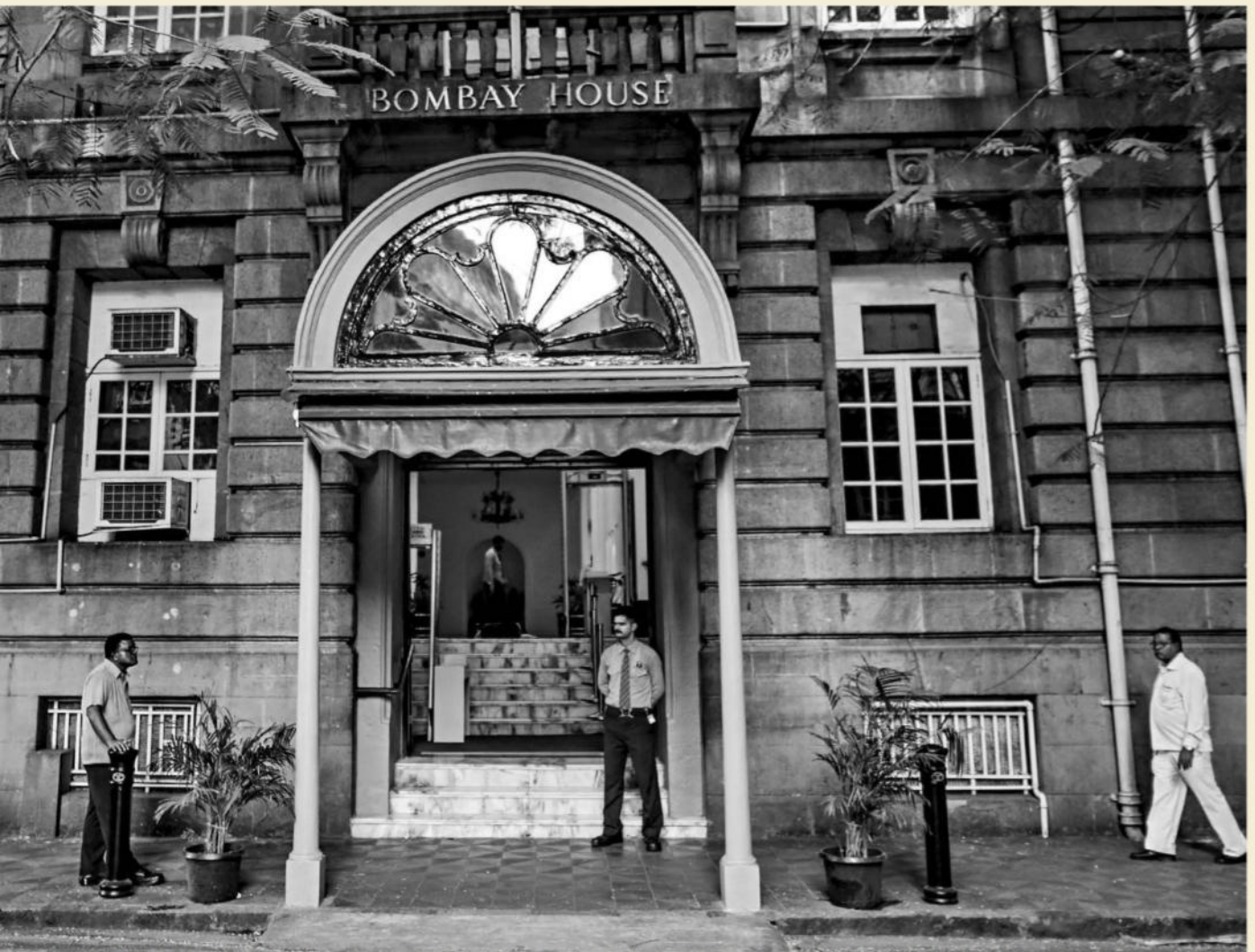
Overlaying this financial tension is a regulatory deadline that cannot be ignored. In September 2022, the Reserve Bank of India (RBI) designated Tata Sons an "Upper Layer" non-banking financial company (NBFC), placing it among the most systemically significant such institutions in the country. Under RBI's scale-based framework, entities in this category must list within three years of such a categorisation, unless granted an exemption or deregis-

tration. That compliance deadline ended on September 30, 2025.

The SP Group's statement made direct reference to this timeline, expressing faith in the RBI's ability to "act in accordance with the rule of law and the spirit of fairness." It added that the regulator's framework "clearly articulates that a non-banking financial company should not act in a manner detrimental to the interests of its investors."

Yet, the Tata Group has sought deregistration, arguing that Tata Sons is not engaged in lending and, therefore, should not be regulated as an NBFC.

Eminent tax lawyer Homi Ranina believes Tata Sons



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**TO LIST OR NOT TO LIST** The Tata Group has sought deregistration as an NBFC, arguing that Tata Sons is not engaged in lending and, therefore, should not be regulated as such

is “a very different case and not a normal company, without any debt. Besides, these are only guidelines, and you cannot force anyone to get listed.”

The RBI, meanwhile, has kept its counsel. “We don’t comment on any specific entity,” said Governor Sanjay Malhotra when asked about Tata Sons at a recent press conference after the monetary policy. “Any entity which has a registration, till it is not cancelled, will continue to do its business.”

Earlier this July, Tata Trusts had passed a resolution affirming that Tata Sons would remain an unlisted private company, signaling unity on at least this front.

“They want to retain control and avoid any regulatory

interference,” says Amit A. Tungare, Managing Partner at Asahi Legal. “Till any decision is taken, Tata Sons can continue to do business. The current scenario works in its favour and gives it time to restructure if needed,” he adds.

The contest between regulatory compulsion and corporate control, however, remains unresolved. Mint Road’s decision on the listing will be closely watched.

### A YEAR OF QUIET SHIFTS

Two days after Ratan Tata’s passing in October 2024, his half-brother Noel Tata was named Chairman of Tata Trusts. The transition appeared smooth—a continuation of legacy, stability and corporate trust.



# THE KEY PLAYERS

The honchos who control India's largest business group in areas ranging from salt and steel to IT and telecom



## NOEL TATA Chairman, Tata Trusts

Half-brother of Ratan Tata; also Chair of Trent and Tata International

► He has been associated with the Tata group for over four decades. In addition to his position on Tata Trusts, he is chairman of Trent, Tata International, Voltas, and Tata Investment Corporation. He is also Vice Chairman of Tata Steel and Titan. His notable success has been Trent in fashion, and Star in the supermarket format.



## venu srinivasan (Vice Chairman, Tata Trusts)

Chairman Emeritus, TVS Motor Co.; seen as close to Ratan Tata

► A member of Tata Trusts and its nominee on the board of Tata Sons, the investment holding company and promoter of the Tata group. He is also Chairman Emeritus of TVS Motor, a leading manufacturer of two-wheelers. He joined the board of Tata Sons in August 2016.



## VIJAY SINGH (Vice Chairman, Tata Trusts)

Former defence secretary; long-time confidant of Ratan Tata

► Till recently, was a nominee on the board of Tata Sons. He reportedly stepped down from the position in September. A former defence secretary, he joined the board of Tata Sons in 2013 and resigned before returning in February 2022. In the past, he has been on boards of several Tata companies.



## PRAMIT JHAVERI Trustee

Former India Chief Executive Officer, Citigroup

► Jhaveri later moved up as Vice-Chairman (Banking) for the Asia-Pacific region. He joined the Sir Dorabji Trust in early 2020. Jhaveri sits on boards of Bajaj Finance, Bajaj Finserv, and Larsen & Toubro. He also serves as an advisor and mentor to start-ups, corporates, and family offices.

But in less than a year, fissures began to appear. The first signs came in September, when Vijay Singh, a long-time trustee and former defence secretary, stepped down as director of Tata Sons. Singh, who first joined the board in 2013 and returned in 2022 after age limits were relaxed, found his reappointment blocked by four trustees. He tells *Business Today* he is “not disappointed” but says “there has been no consensus or unanimity in decision-making. If Mr. Tata were here, he would have behaved very differently.”

When asked what had changed in the past year, Singh says, “To a large extent, things have come apart at Tata Trusts, though it has been exemplary at Tata Sons. Eventually, some kind of an equilibrium will be restored.”

Trust sources, on their part, maintained that the deci-

sion was generational. “Since the group is deeply invested in high-tech areas, it was felt a younger person would be better suited,” one said.

Among those said to have opposed Singh’s reappointment was Mehli Mistry—cousin of the late Cyrus Mistry and a long-time associate of Ratan Tata. He is a trustee of both the Sir Dorabji Tata Trust and the Sir Ratan Tata Trust, and director of the Meherji Pallonji Group, which has interests in logistics, shipping, and financial services.

During the 2016 boardroom battle that led to Cyrus Mistry’s ouster as Tata Sons Chairman, Mehli Mistry had sided with Ratan Tata. His growing influence within the Trusts has now reportedly become a point of internal friction.

Reports suggest that some trustees proposed his in-

s biggest and most storied conglomerate with interests  
steel to IT and aerospace



**MEHLI MISTRY**  
Trustee

Sir Dorabji Tata Trust & Sir Ratan Tata Trust; cousin of the late Cyrus Mistry

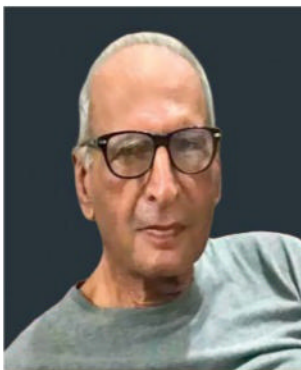
► He joined Sir Dorabji Tata Trust and Sir Ratan Tata Trust in 2022. He came into prominence during Cyrus Mistry's ouster by openly backing Ratan Tata. Mistry is also a director of the Meherji Pallonji group, with presence in logistics, dredging, industrial painting, shipping, and financial services.



**DARIUS KHAMBATA**  
Trustee

Former Advocate General of Maharashtra and ex-Additional Solicitor General, India

► He practices in the Supreme Court of India, the Bombay High Court, and other courts. He has appeared in several significant constitutional, corporate, and commercial matters. His areas of specialisation include securities, arbitration, corporate, constitutional, and administrative law.



**JIMMY N. TATA**  
Trustee

Younger brother of Ratan Tata

► Known to be very low-profile and reclusive, he is a shareholder in several Tata group companies, though he has never been involved in its businesses. He is trustee of Sir Ratan Tata Trust, a position he inherited after his father Naval Tata died in 1989. Perhaps his only public appearance was at the funeral of his brother last October.



**JEHANGIR H.C. JEHANGIR**  
Trustee

Industrialist and philanthropist

► He has been in the healthcare sector for several years. His family established Jehangir Hospital, a name in the multi-specialty space. Apart from being the Chairman of Jehangir Hospital, he has been involved in philanthropic activities and joined Sir Ratan Tata Trust in 2019.

duction on the board of Tata Sons, a move reportedly resisted by Noel Tata and Venu Srinivasan. The outcome, insiders say, has effectively split the Trusts into two informal groups: one led by Noel Tata and Srinivasan, and another comprising Mehli Mistry, Darius Khambata, Pramit Jhaveri, and Jehangir H.C. Jehangir.

Neither Tata Trusts nor Tata Sons has commented publicly. Mehli Mistry did not respond to text messages or emails. The SP Group also did not respond to emails.

### THE GOVERNANCE SHIFT

One of the biggest structural changes at Tata Sons came in 2022, when the company amended Article 118 of its Articles of Association—the clause governing the appointment of its chairman.

“The amendment prevents one person from simultaneously holding positions of Tata Sons Chairman and Tata Trusts Chairman,” says Arush Khanna, Partner at Numen Law Offices.

This seemingly technical change has had profound implications. When Noel Tata became chairman of Tata Trusts less than 48 hours after Ratan Tata's death, it automatically ruled him out as Tata Sons chairman.

“The decision was aimed at improving governance by separating control of the operating company from the philanthropic body that owns it,” says Khanna.

It also reopened an old question that has shadowed the Tatas for decades: succession.

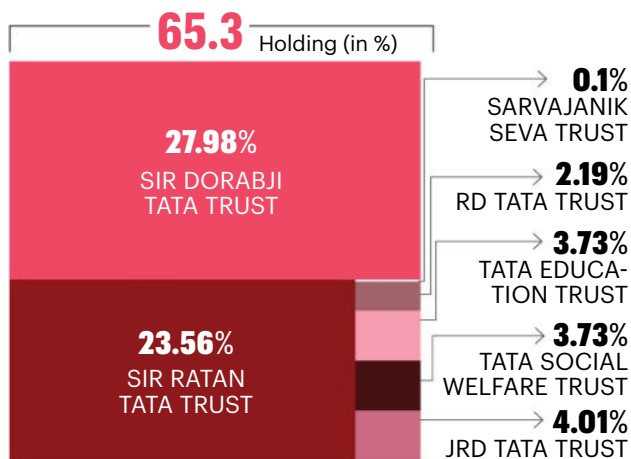
When Ratan Tata took over in 1991, he faced resistance from the old guard—satraps like Russi Mody



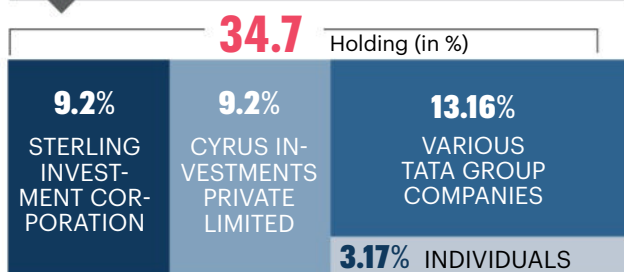
## TATA SONS: WHO OWNS WHAT

● Tata Trusts are majority shareholders; SP Group is the largest non-Trust owner

### TRUSTS



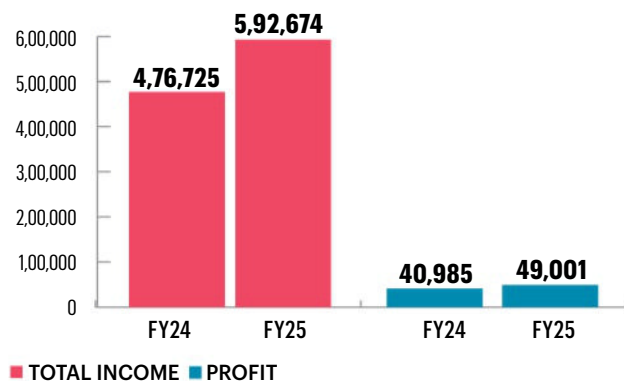
### THE REST



SOURCE TATA SONS ANNUAL REPORT

## TATA SONS FINANCIALS

● The holding company's income rose 24% in FY25



ALL FIGURES IN ₹CR

SOURCE TATA SONS ANNUAL REPORT

at Tata Steel, Darbari Seth at Tata Chemicals, and Ajit Kerkar at Indian Hotels—all of whom eventually exited. When he retired in 2012, Noel Tata was seen as the natural successor. Instead, Ratan Tata chose Cyrus Mistry, the younger son of SP Group patriarch Pallonji Mistry.

The alliance soon soured. Mistry's removal in 2016 led to one of India's most closely watched corporate battles, ending in Tata Sons' favour after the Supreme Court's 2021 verdict.

That episode reshaped the Tata-Mistry dynamic—from partnership to perpetual unease.

According to Kavil Ramachandran, Professor and Senior Adviser at the Thomas Schmidheiny Centre for Family Enterprise, ISB, the current turbulence again points to succession lapses. "Ratan Tata perhaps did not do enough with respect to inducting Noel Tata as his successor at Tata Trusts," he says. "It did not take place either in the case of Cyrus Mistry or Noel Tata. A succession works only if the successor is trained and well-equipped."

He draws a comparison with J.R.D. Tata's grooming of Ratan Tata. "One did not necessarily see that later with Ratan Tata," he adds.

### BOMBAY HOUSE TO RAISINA HILL

The quiet meeting between senior Tata leaders—Noel Tata, Venu Srinivasan, Darius Khambata, and N. Chandrasekaran—and Amit Shah as well as Nirmala Sitharaman set off a bout of intense speculation.

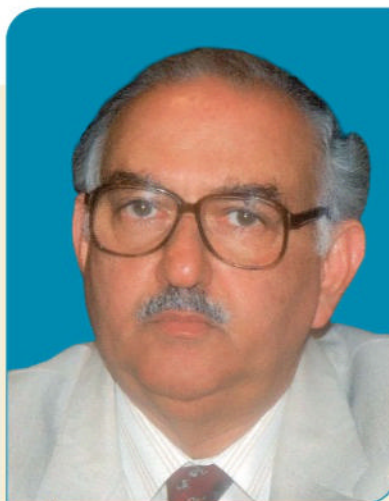
For the government, the Tata Group's stability is not a trivial concern. With investments spanning defence, aerospace, semiconductors, battery storage and consumer goods—and a \$90 billion capex plan by 2027—the conglomerate is deeply enmeshed in national industrial policy. Indeed, when Prime Minister Narendra Modi's government decided to divest national carrier Air India, the Tatas stepped in to acquire the troubled airline—a purchase that remains a challenging turnaround task for the group.

Projects include a Lockheed Martin partnership for aircraft production, a Pegatron alliance for iPhones in Tamil Nadu, and a Foxconn collaboration for electric mobility and autonomous vehicles.

"The government is acting in a fair manner and wants all the parties to come to an ami-

# FAMILY TIES

Apart from a near-100-year association, the Tata and Shapoorji Pallonji families are also linked through marital ties



**LATE PALLONJI MISTRY**  
(DIED 2022)



**SHAPOOR MISTRY**  
CHAIRMAN, SP GROUP

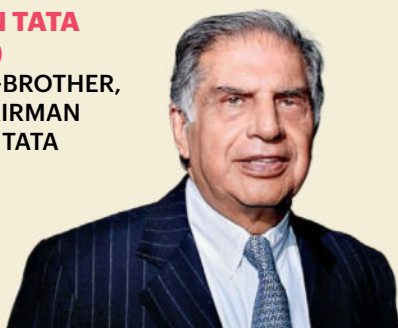


**LATE CYRUS MISTRY**  
(DIED 2022)  
EX-CHAIRMAN, TATA SONS



**ALOO MISTRY**

**LATE RATAN TATA**  
(DIED 2024)  
NOEL'S HALF-BROTHER,  
FORMER CHAIRMAN  
TATA SONS & TATA  
TRUST



MARRIED TO  
**NOEL TATA**  
CHAIRMAN,  
TATA TRUSTS

cable settlement,” says Ranina. “Tata is a global group, and nothing is more important than preserving all that it stands for.”

On his part, Ashish Kumar Singh, Partner at Capstone Legal, notes that while public charitable trusts fall under a distinct legal framework, the threshold for government intervention “is very high, and it does not take place often.” Internal trust disputes, he adds, cannot be resolved by government mediation unless “the trust deed provides for such intervention.”

Still, the stakes are unusually high. “The debate around Tata Trusts has a unique character because

the nature of the holding body is a trust,” says Singh. “That may require specific mechanisms for dispute resolution through NCLT or other forums. But because trust law in India is dated, the process could be long and complicated.”

## RIPPLE EFFECTS, REPUTATIONAL RISK

Though Tata group operating companies remain insulated in structure, prolonged uncertainty at holding and trust levels can unsettle management ranks and investors alike.

“In any family business, however insulated the group



## EXTENSION SIXER

N Chandrasekaran likely to stay on as Tata Sons Chairperson till 2032

► **TATA TRUSTS HAVE approved a proposal that could see N Chandrasekaran continue as Chairman of Tata Sons for a third term, signalling a departure from the group's traditional retirement practices. Historically, senior executives have been expected to retire from executive roles at 65, although they may remain in non-executive capacities until 70.**

**With Chandrasekaran's current term set to end in 2027, the resolution from Tata Trusts—if accepted by Tata Sons—will allow him to continue in an executive position beyond that, marking a first in the conglomerate's history.**

**The proposal was tabled at a meeting of the Trusts on September 11 by Noel Tata and Venu Srinivasan, who highlighted the importance of leadership continuity as the group navigates an unprecedented business transformation. Reports indicate the proposal received unanimous backing from the board.**

companies are, disagreements within the top leadership spill over," says Rajiv Agarwal, Professor and Department Chair (Strategy) at SP Jain Institute of Management and Research. "Managers at every level are affected and distracted. Plus, there is a risk of them being forced to choose sides if it becomes a long-drawn affair."

He cautions that "one cannot look at the Tata group only as a business or the trust as owners. There are employees, consumers, and a community for whom the Tata brand is a part of their lives."

The Tata Group, long seen as a synonym for probity and nation-building, is confronting the same question every large family enterprise eventually faces—how to reconcile legacy with the demands of modern governance.

### WHAT'S NEXT

With Tata Sons and Tata Trusts unanimous on not listing, what are the options before the SP Group, especially as the RBI is yet to take a definite stand on the matter? One option, say legal experts, could be to prove suppression of rights of minority shareholders in a court and seek a fair exit. Multiple investment bankers *BT* spoke to pointed out since Tata Sons is a private company, the board has complete power to decide on the listing. "The SP Group is a minority shareholder, making it very difficult to exit their holding. Every proposal it brings to the table will need to be cleared by the board of Tata Sons," says one banker who has worked closely with the group. If Tata Trusts decide to buy out the SP Group, it will have to be at a fair value taking into consideration a discount for a holding company.

Ranina points out that Tata Sons is a core investment company and not an NBFC. "It makes the issue clear since they are not in possession of borrowed money. Once the NBFC tag is off, the regulation will not apply to Tata Sons," he says. On the issue of legal options left to the SP Group, Ranina says a minority shareholder has no right to anything, including a board seat. "They are entitled only to dividend."

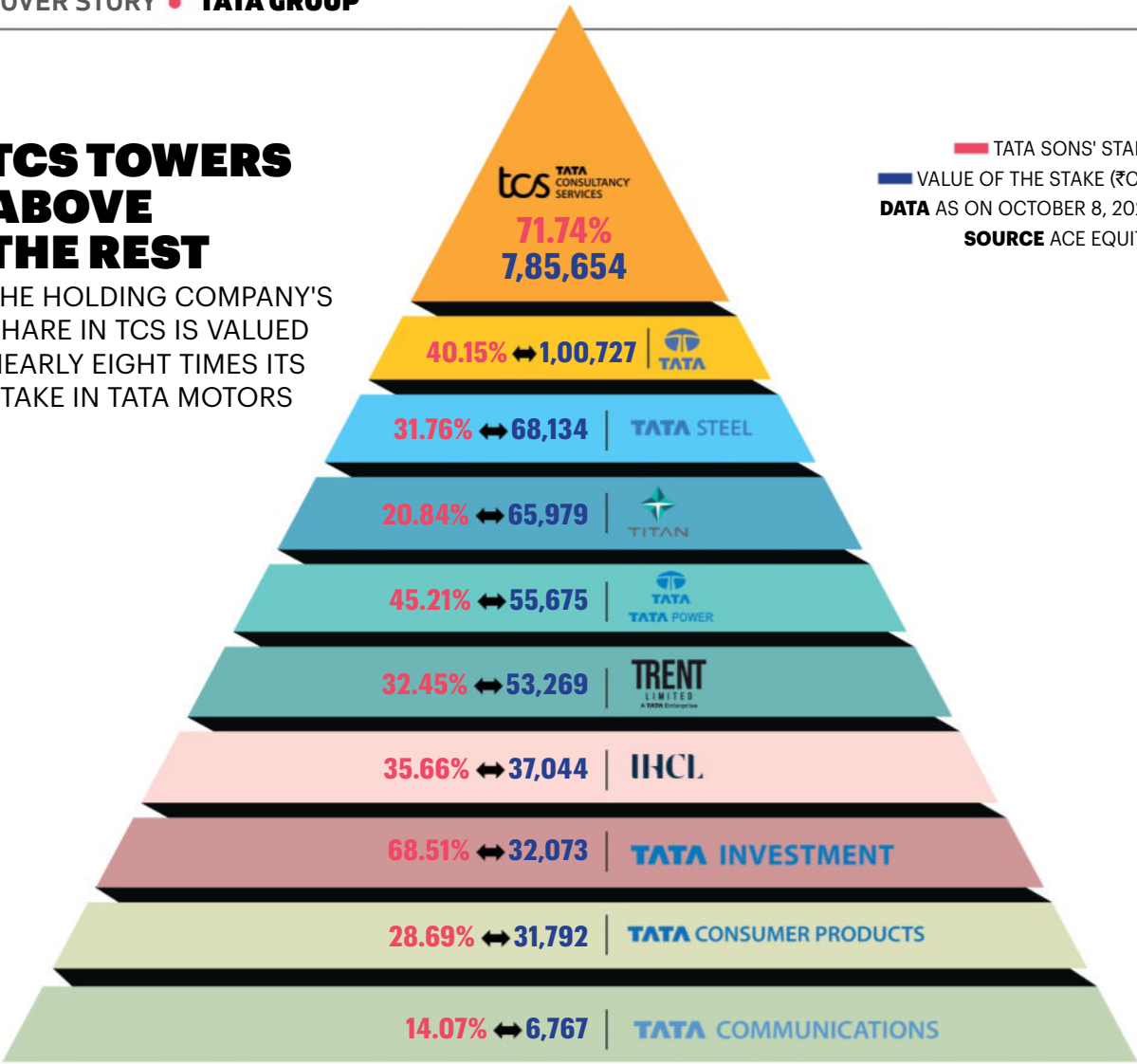
The interdependence between Tata Sons and Tata Trusts—part corporate, part charitable, part familial—makes resolution tedious but essential. "The inextricable connect between the trust and the holding company means it cannot be resolved within compartmentalised



TCS TOWERS ABOVE THE REST

THE HOLDING COMPANY'S SHARE IN TCS IS VALUED NEARLY EIGHT TIMES ITS STAKE IN TATA MOTORS

TATA SONS' STAKE  
VALUE OF THE STAKE (₹CR)  
DATA AS ON OCTOBER 8, 2025  
SOURCE ACE EQUITY



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ivory towers,” says Numen Law Offices’ Khanna. “Unlike other corporate disputes, better sense will prevail if there is a concerted effort by all stakeholders to arrive at a common ground instead of getting into an adversarial contest.” Historically, the Tata group has navigated crises with deliberate and measured moves—whether succession challenges or governance conflicts—through internal resolution. This time, however, both Tata Sons and Tata Trusts are at the heart of the issue, with the SP Group’s public call for listing adding new pressure.

For now, Tata Sons’ board and management remain focused on execution—from turning around Air India and expanding Tata Motors’ EV portfolio to integrating Titan and TCS into the group’s broader digital and consumer strategy.

Yet, with the SP Group going public with its demands

and the differences spilling out into the public domain, the structural questions will demand answers.

For the SP Group, listing remains both a governance principle and a financial necessity. For the Tatas, remaining private is about autonomy and heritage. Between these two positions lies the future of one of India’s most enduring business houses.

“The Tata Group’s past was built on trust,” says a senior executive who has served across its companies. “Its future will depend on transparency.”

As the group navigates this delicate passage between legacy and change, one truth endures: in the house that Jamsetji built, trust and transformation must learn to coexist. **BT**

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