



The Industrial & Prudential Investment Company Limited (BSE code: 501298) is a Mumbai based 90-year-old investment company.

It is a **zero debt company** and has a 100% subsidiary, New Holding & Trading Company limited

The co has an excellent equity investment portfolio & the management is believed to have a conservative approach

➤ **Equity:** Rs.0.58 Cr

➤ **Reserves :** Rs 26.86 Cr

➤ **Debt:** Nil

➤ **2011-12 financials**

Revenue: Rs.5.89 Cr

Net Profit: Rs.5.24 Cr

EPS: Rs 90

Dividend: Rs.55 per share

The co has equity investments in companies like ACC Ltd, BASF, Bharti Airtel, Dr Reddy's, Gail, KSB Pumps, LIC Housing Finance, Nestle, Reliance Industries, Selan Exploration, Tata Motors, TCS to name a few.

IPICL is one of the **promoter of KSB Pumps** holds 71,40,000 shares (20.51%) & its subsidiary New Holding & Trading Company limited holds 2,60,000 (0.75%) i.e **74,00,000** shares

The total cost of investments in KSB Pumps is 2.84 Cr whereas the value as on date is ~**144 Cr**.

Most of the above are long- term investments and the acquisition cost of the total quoted equity held by the company is just around Rs 14.50 Cr



The aggregate value of its quoted long term investments [as per Market price] of Mar 31, 2012 is Rs 261.30 Cr

The unquoted investments [at cost] are 12.7 Cr on March 31, 2012.

The co also has investments in BSE ~13500 Shares and the exchange is expected to list and unlock the value in future.

Further the company also has current investments in shares such as Abbot India, Akzo Nobel, IDFC Ltd, SBI and Voltas to name a few

The total quoted value of its current investments at cost ~ Rs 2.77 Cr

The aggregate value of its quoted current investments [as per Market price] of Mar 31, 2012 is Rs 3.62 Cr

Risks

- Significant fall in value of Investments due to poor market conditions

Financials

Market Value of Investments as on 31 st Mar,2012	(Rs in Cr)	Discount	(Rs in Cr)
KSB Pumps (Strategic)	144	60%	57.6
Long term Investments	117	40%	70.2
Current Investments	3.6	50%	1.8
Cash & Cash Equivalents	1.54	-	1.54
Total	266.14	-	131.14

Total No of Share in Cr			0.058
Value Per Share in Rs	-	-	2261.00



At the current market price of Rs.1400, the company is available at a market cap of Rs 81 Cr- which is just 56% of the value of the company's shareholding in only KSB Pumps. Effectively the balance equity holding of the company is available for free.

The total value of Investments is ~Rs 2260 per share and share is available at discount to its fair value

This disparity is huge & offers tremendous opportunity.

The promoters hold 66.25% of total shareholding shows confidence in the business

The share has a potential to move up to Rs 2260 /- in Medium to long term (1 year horizon) 60% upside from current levels.

Technical View



- THE STOCK HAS STRONG SUPPORT IN THE RANGE OF 1210-1400 IN LAST 2 YEARS.
- WE EXPECT STOCK TO BREAK THIS RANGE AND LIKELY TO TEST NEW HIGHS.
- WE ADVISE INVESTORS TO ACCUMULATE STOCK AROUND 1200- 1400 Levels.



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