

## In a 1st for an Indian stock, MRF crosses ₹1L mark

If you, as a fan of Sachin Tendulkar, had bought just one stock of the company whose logo adorned his bat for over a decade, when he retired in 2013, it would have been worth Rs 1 lakh today—up more than seven times, reports **Sindhu Hariharan**.

Chennai-based tyre maker MRF on Tuesday passed a new Dalal Street milestone as it became the first stock to cross the Rs 1-lakh-price mark. Its shares hit a 52-week intraday high of Rs 1,00,300 on Tuesday as the stock rose nearly 2%, ending the day at Rs 99,988 on the BSE.

Tendulkar, and other

### SHOWSTOPPER

Indian stocks with highest price tags (intra day, June 13)

Stock	Price (₹)
MRF	1,00,300
Honeywell	41,427
Page Industries	38,471
3M India	27,114
Shree Cement	26,225

Source: BSE, Prime Database

cricketers like Virat Kohli, had endorsed the MRF brand for over a decade.

▶ **Not splitting, P 21**

# Not splitting stock key to MRF's high-priced shares

▶ From P 1

In mid-June of the year when Sachin Tendulkar retired, the MRF stock was trading at around Rs 14,300. Now, it's worth Rs 1 lakh today. Does this make MRF the most valuable stock? Not really. Analysts said a high price tag is not necessarily an indicator of how valuable or strong a company's stock is. Market capitalisation, price-to-earnings (P/E) ratio, profit and other business metrics must be taken into account, they said.

For instance, MRF, with a market cap of Rs 42,390 crore, does not feature among the top companies in terms of valuation. This list is led by RIL with a market cap of over Rs 17 lakh crore, followed by TCS with just under Rs 12 lakh crore. On Tuesday, Reliance's stock closed at Rs 2,520, while TCS shares ended at Rs 3,244 apiece.

Moreover, how did the MRF stock scale this peak? While companies often undertake stock splits or bonuses to make their shares more accessible to retail investors, MRF has not done so in nearly 50 years. This resulted in the high price tag for its shares.

An analyst said that companies that plan to keep their shareholding more institutional typically do not opt for stock splits. In MRF, retail in-

## STOCK PRICE VS VALUE

**Does the ₹1 lakh price tag make MRF the most valuable stock?**

- ▶ A high price tag of shares is **not necessarily an indicator of how expensive or valuable** a company's stock is, analysts say
- ▶ Market capitalisation, **price-to-earnings (P/E) ratio, profit and other business metrics must be taken into account** to determine a co's value

**How did the MRF stock scale this peak**

- ▶ Companies often undertake **stock splits or bonuses** to make their shares more accessible to retail investors
- ▶ However, MRF has not done so in nearly **50 years**, this has resulted in the high price tag
- ▶ MRF has a market cap of ₹42,390cr while most valued co RIL has a market value of over ₹17 lakh cr, followed by TCS with just under ₹12 lakh cr. On Tuesday, Reliance's stock closed at ₹2,520, while TCS ended at ₹3,244 apiece



## Sensex closes above 63k, a 6-mth high

**Mumbai:** The sensex spurted 418 points or 0.7% to settle at more than six-month high of 63,143 on Tuesday on positive domestic macroeconomic data and gains in global markets. Buying in index majors Reliance and ITC also added to the optimism in equities. "Attention now turns to the release of US inflation data and the Federal Reserve announcement, where the view is optimistic on keeping rates on hold," said Vinod Nair of Geojit Financial Services. AGENCIES

vestor shareholding (up to Rs 2 lakh) stood at 12.7%. MRF did not respond to a request for comments.

"A high-priced share does not necessarily signify that a company is doing very well, just like a low-priced share does not necessarily mean the company is down in the dumps," Pranav Haldea, MD of Prime Database, said. "What investors instead need

to focus on—whether for stock or mutual fund investment—is the future growth potential," he added.

At Rs 23,008 crore, MRF's consolidated revenue for 2022-23 grew 19% year-on-year. Profits grew 15% in the same period to Rs 768 crore. Analysts at Motilal Oswal Securities said that MRF's competitive position is weakening amid peers in the industry.