

Many stocks regain pre-split value

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Another factor helping stock price could be bid-ask spread. "With a stock split, a higher number of shares outstanding can result in greater liquidity for the stock, in effect, narrowing the bid-ask spread," Rakesh Tarway, head-research, Reliance Securities, said.

According to data collated from exchanges, as many as 35 companies including Dwarikesh Sugar, Navin Fluorine, Bharat Electronics, and LT Foods, have done stock-split in the calendar year 2017 already when broader

stock markets had gone up 18% in about eight months.

Others like e-commerce player Infibeam, shares of which trade at over Rs 1,400 apiece, announced September 1 as the record date for stock split. Private-sector lender YES Bank, with shares trading at Rs 1,720, wants to split it every Rs 10 face-value share into five shares of Rs 2 face-value each.

Yet, there are a number of well-tracked companies who should definitely split their stock given the high absolute value of their shares.

Tyre maker MRF's shares trade at a mind-numbing Rs 63,000 apiece. Each share of Eicher Motors is now worth Rs 31,000. One stock of auto-ancillary maker Bosch costs over Rs 22,000 while one share of Shree Cement costs Rs 17200.

Anita Gandhi, whole-time director, Arihamt Capital Markets, said, "A stock split is a management call. It does not change the working of a company. It only makes it easier for investors to own the share. However, going forward such companies may consider stock split."