

Apollo Tyres shares fall sharply on cartelization probe news

MUMBAI : The share prices of Apollo Tyres Ltd, India's leading tyre manufacturer plunged 3.72% to Rs 95.85 on news that the company along with four others are being probed by Competition Commission of India (CCI) for cartelization in industry.

CNBC-TV 18 reported that a verdict will be issued in the coming days by CCI. NW18 reported that CCI has issued notice to 17 auto companies for misuse of position.

Apollo Tyres Ltd's 1st quarter sales increased by 12%, compared to the same quarter last year, to close the quarter at Rs 31.65 billion (Rs 3165 crore), while net profit grew by 79% to reach Rs 1.38 billion (Rs 138 crore).

Among other tyre majors, MRF Ltd shares fell 1.63% to 10190.80 while JK Tyres fell 0.71% to Rs 111.35 and Ceat fell 0.90% to Rs 115.50.

Tyre industry has benefitted from lower rubber prices in the recent months but that has been offset to an extent by rise in other raw material costs.

Generally, cartelisation refers to entities entering into agreements whereby they decide not to compete on price or product or customers. Such practices adversely impact overall competition in the market .