India's Tata Motors reports $1.3 bn loss as coronavirus bites

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India's Tata Motors Monday reported a loss of $1.3 billion for the first three months of this year as sales in its key markets of China and Europe

were hit by the coronavirus pandemic.

The Mumbai-headquartered firm had just returned to the black in the previous quarter amid Chinese demand for its British luxury brands Jaguar and Land Rover.

The 98.94 billion rupees ($1.3 billion) net loss for the January-March quarter followed a net profit of 11.17 billion rupees for the same period last year.

"The auto industry faced strong headwinds in FY20 amidst a slowing economy due to multiple factors... all leading to weak consumer sentiments and subdued demand across segments," Tata Motors chief executive Guenter Butschek said in a statement.

"Disruption in the supply chain induced by the pandemic and the nationwide lockdown in mid-March 2020 added to the problems."

The company forecast a weak April-June—the first quarter of the 2021 financial year—which coincided with widespread virus lockdowns across its Europe, UK and Chinese markets.

But it expects a gradual recovery of sales and improved cash flows for rest of the financial year.

Shares of Tata Motors closed almost five percent lower on the Bombay Stock Exchange Sensex Index ahead of the earnings result.

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