

# India's Tata Motors posts major loss as lockdowns hit sales

July 31 2020

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India's Tata Motors on Friday reported a major quarterly loss as coronavirus lockdowns hit sales in domestic and international markets

including Europe and China.

Mumbai-headquartered Tata Motors, the parent of British luxury marque Jaguar Land Rover (JLR), announced a consolidated net loss of 84.39 billion rupees (\$1.13 billion) for the quarter ended June 30 against a loss of 36.98 billion rupees a year earlier.

"The COVID-19 pandemic has deeply impacted the [auto industry](#) in Q1FY21. We see some disruption due to the intermittent shutdowns and supply chain bottlenecks," CEO Guenter Butschek said in a statement.

A survey of analysts by Bloomberg had predicted the quarterly loss to come in at \$1.28 billion.

Tata's luxury car unit JLR faced sales challenges in its key markets China and Europe, worsened by the virus spread and supply chain disruptions.

JLR sales were down 42 percent during the quarter, the firm said. It was previously struggling to boost demand for [luxury cars](#) with the uncertainty surrounding Brexit.

Tata Motors further added JLR would manage "costs and investment spending rigorously" for the rest of financial year 2021.

"We have witnessed some green shoots emerging in passenger vehicles owing to some pent-up demand pre-COVID, and are hopeful for a full recovery of the commercial vehicle industry by end of the fiscal year, with a gradual pickup of demand, aligned to the [economic recovery](#)," Butschek added.

JLR announced former Renault chief Thierry Bollore as its new chief executive this week, with a focus on improving profits in the upcoming

quarters.

Tata Motors' revenues fell by a massive 48 percent to 319.83 billion rupees, the firm said.

Indian carmakers have been struggling with dwindling sales amid an economic slowdown and lack of liquidity through 2019.

Analysts say the coronavirus-led lockdowns globally have hit sales as dealership stores were shut for most of the quarter and consumers are wary of making big-ticket car purchases.

The firm forecast a recovery in demand in the second part of 2021 depending on [economic activity](#) and restoration of supply chains globally.

Tata Motors shares were up almost one percent on the Bombay Stock Exchange Sensex index ahead of the earnings announcement.

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Citation: India's Tata Motors posts major loss as lockdowns hit sales (2020, July 31) retrieved 25 April 2024 from <https://techxplore.com/news/2020-07-india-tata-motors-major-loss.html>

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