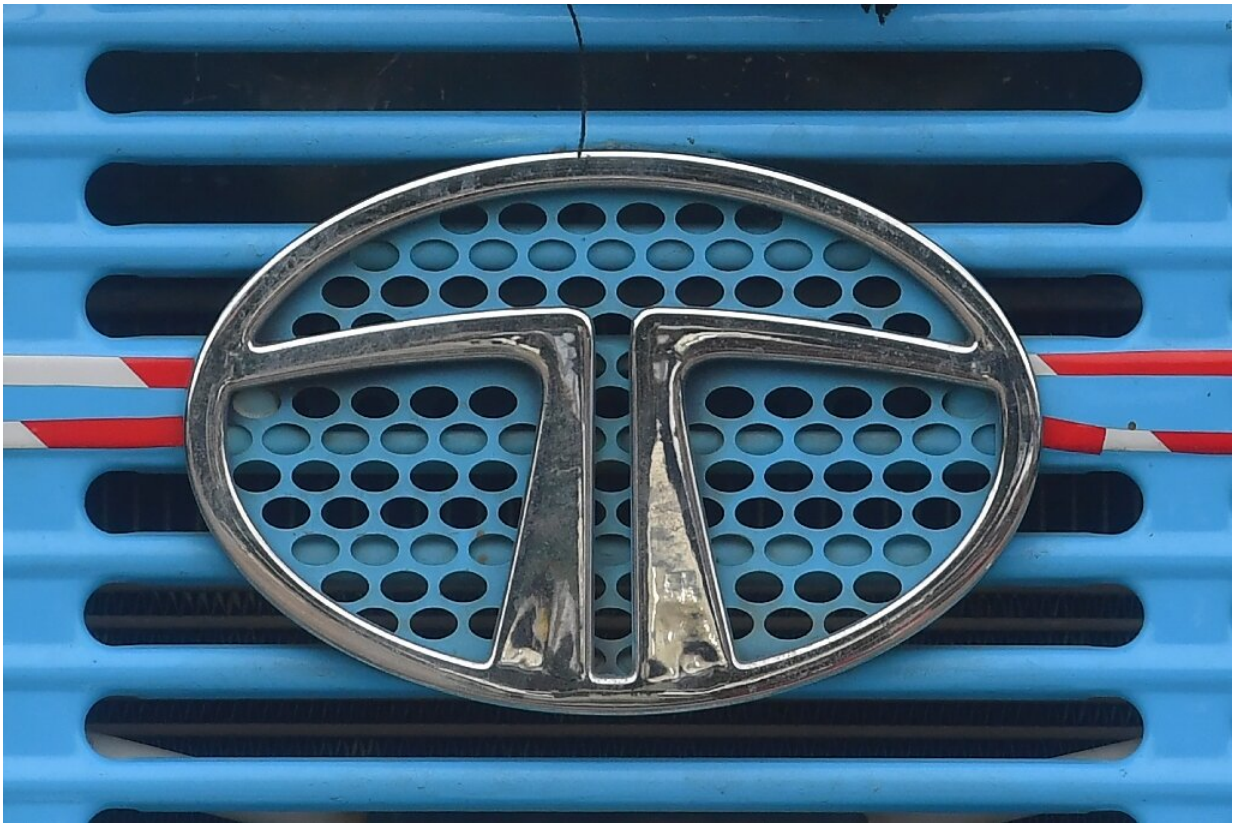


Profits at India's Tata Motors surge on pent-up demand

January 29 2021



The Tata Motors logo is seen on the engine grille of a truck in Mumbai

Profits at India's Tata Motors jumped 67 percent during the last quarter of 2020, the company said Friday, benefiting from pent-up demand that saw consumers flock to buy cars.

The Mumbai-headquartered firm, which owns British luxury brand Jaguar Land Rover (JLR), saw consolidated net profit climb to 29.06 billion rupees (\$398.91 million) during the October-December quarter from 17.38 billion rupees a year earlier.

The results are a strong comeback for the automobile giant, which reported losses for three consecutive quarters as the pandemic hammered demand in domestic and [international markets](#).

"Due to a strong festive season and a clear preference for personal mobility, the (passenger vehicle) business posted its highest sales in last 33 quarters," chief executive Guenter Butschek said in a statement.

JLR sales were up 19.1 percent year on year in China, but lower globally as uncertainty over the pandemic and Britain's post-Brexit future continues to weigh on demand.

Tata Motors' revenues rose 5.5 percent to 756.54 billion rupees, the firm said.

Indian carmakers were struggling with low demand due to an [economic slowdown](#) and lack of liquidity through 2019, before the virus and a months-long lockdown dealt a further blow to Asia's third-largest economy.

But India's economic prospects are now looking up, with both the International Monetary Fund and Prime Minister Narendra Modi's government predicting double-digit growth in the 2021-22 financial year.

With over 10.5 million coronavirus cases, the country of 1.3 billion people is the second worst-hit in the world.

But reported new cases have fallen dramatically in recent weeks and authorities hope the economy will be boosted by a major vaccination drive that started this month.

Tata Motors shares closed 1.6 percent lower in Mumbai ahead of the earnings announcement.

© 2021 AFP

Citation: Profits at India's Tata Motors surge on pent-up demand (2021, January 29) retrieved 2 May 2024 from <https://techxplore.com/news/2021-01-profits-india-tata-motors-surge.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.