

# Losses widen at Tata Motors on chip shortages, rising expenses

November 1 2021

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Tata's India business recovered sharply in the third quarter.

India's Tata Motors reported its third straight quarter of losses on Monday as chip shortages and rising raw material prices hit the automaker's bottom line.

Net losses widened to 44.41 billion rupees (\$592.81 million) in the three months ending September 30, compared to a loss of 3.14 billion rupees

in the same quarter last year.

Aided by a recovery in the company's domestic business, [revenue](#) from operations rose more than 14 percent from the same quarter in 2020 to 613.78 billion rupees.

"Semiconductor issues and commodity inflation will continue to impact the near term and we are doing our best to manage them," the Mumbai-headquartered firm said in a statement.

Tata Motors' UK subsidiary and Britain's biggest carmaker Jaguar Land Rover was particularly impacted by the global chip shortage, with revenues falling 11.1 percent compared to the same quarter last year.

Semiconductor production cuts during the pandemic have caused a global shortage of the microchips, which are a crucial raw material in electronics and a key component in car manufacturing.

"The global [semiconductor](#) shortage remains challenging but I'm pleased to see the actions we have been implementing to reduce the impact," Jaguar Land Rover chief executive officer Thierry Bollore said in a statement.

"With strong customer demand (and) with a record order book, we are well placed to return to strong financial performance as semiconductor supply begins to improve," he added.

The company's India business recovered sharply in the quarter as the economy rebounded from the dampening impact of the pandemic, with revenues jumping 90.7 percent year-on-year as sales of both passenger and [commercial vehicles](#) improved.

Revenues from the newer electric-vehicle business grew three-fold, with

the company reporting its highest-ever quarterly sales of 2,704 cars.

Shares in Tata Motors closed 0.56 percent higher in Mumbai ahead of the earnings announcement.

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