Tata Motors profit hit by shrinking JLR margins

ITS EBIT MARGINS were impacted by higher variable marketing expenses, higher warranty costs and adverse foreign exchange movements. During April-December, the Chinese demand for JLR was down by 27% y-o-y.

PB Balaji, group chief financial officer, Tata Motors, said, "The fundamentals of the business are strong and, therefore, despite external challenges, we are confident of delivering another strong performance this year."

The truck and bus division of Tata Motors saw a 1% wholesale volume fall to 91,100 units. However, despite a 6.4% y-o-y fall in revenue, Ebitda margin for the segment improved 120 basis points to 11.6%.

Girish Wagh, executive director, Tata Motors, said, "The heavy segment witnessed a robust sequential recovery, even as the y-o-y sales declined 9% due to limited growth in end-use segments. The intermediate and light segment, and passenger carrier segment witnessed ~3% and ~30% y-o-y growth, whereas the small segment experienced marginal decline."

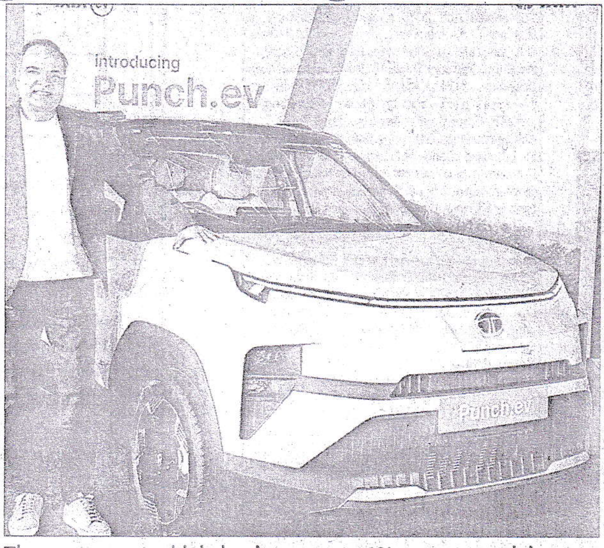
The passenger vehicle (PV) business saw a 1% y-o-y growth in volumes to 140,000 units. Though revenues were down 4.3% y-o-y at ₹12,400 crore, Ebitda margins were up 120 basis points at 7.8%. The company claimed a market share of 13.5% in the PV segment, based on Vahan data.

Shailesh Chandra, managing director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said, "The volume growth has allowed us to sharply reduce our channel inventory ahead of Q4FY25. In EVs, we registered a 19% growth in the domestic personal segment, although our fleet volumes declined y-o-y due to the expiry of the FAME-II subsidy."

Tata Motors received a sanction of automotive production-linked incentives (PLI) in December 2024. Accordingly, an income of ₹351 crore has been recognised. The automaker has the largest portfolio of EVs in the country across segments.

The Mumbai-based company is expecting the underlying domestic demand to improve gradually on account of infrastructure spends, slew of exciting product launches and stable interest rates.

While JLR wholesales are expected to improve in Q4FY25, we remain watchful on the overall demand situation, particularly in China, it said in a statement.



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