Jaguar Land Rover Boosts Tata Motors Profit

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MUMBAI, India (AP) — Tata Motors said Thursday its June quarter profit rose 12 percent as strong sales of its Jaguar Land Rover vehicles made up for lackluster domestic demand.

Net profit for the quarter of 22.5 billion rupees ($407.4 million) was less than expected. The company said foreign exchange losses due to the depreciation of the rupee hurt earnings.

Strong sales at Tata subsidiary Jaguar Land Rover drove revenue up 30.1 percent from a year earlier to 433.2 billion rupees ($7.8 billion), with China sales nearly doubling.

Analysts polled by FactSet expected net profit of 27.3 billion rupees on revenue of 425.7 billion rupees.

Meanwhile, the domestic business of India's top vehicle maker is foundering.

Standalone net profit for Tata's Indian business plunged by nearly half from a year earlier to 2.1 billion rupees ($37.2 million).

Tata sold nearly 10 percent fewer passenger vehicles in India than it did a year earlier though commercial vehicle sales eked out a 1.3 percent rise in volume. Stand-alone revenue fell 8.9 percent to 105.9 billion rupees ($1.9 billion).

The company blamed India's weakening economy, a hike in duty tax and poor availability of freight, which hurt its mainstay commercial vehicle business. Competition hit operating profit margins, which contracted to 7.3 percent from 8.8 percent a year earlier.

The stock slipped 0.9 percent in volatile Mumbai trade.

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