
TATA expects Jaguar turnaround after recession

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TATA Motors Ltd the Indian owner of Jaguar Land Rover is hopeful of turning around the unprofitable luxury unit as it cuts costs to battle a slump in sales during the global recession.

Mr Ratan Tata chairman of TATA Steel said that "Our main issue would be to sustain ourselves through this and continue to try to do what we've been doing the last several months. It's been a very difficult time." But he didn't elaborate.

TATA Motors hired KPMG International and Roland Berger Strategy Consultants to reduce costs at the luxury unit, which it bought for USD 2.5 billion last year from Ford Motor Co. Falling sales at Jaguar Land Rover pushed India's biggest truck maker to its first consolidated annual loss in at least seven years in the year ended in March.

Jaguar Land Rover had a loss before interest, tax and exceptional items of USD 189 million in the quarter ended June.

JLR received as much as USD 286 million as a five year working capital facility from General Electric Co's GE Capital division. TATA Motors also raised USD 750 million last month by selling securities, enabling it to refinance debt taken to purchase Jaguar Land Rover.

(Sourced from Zeenews.com)

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