

No immediate impact of rare earth magnet shortage: TaMo

SUSTAINING GROWTH. It wants to continue maintaining 50% market share in EVs

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Tata Motors on Tuesday said that there would be no immediate impact of rare earth magnet scarcity on its vehicle portfolio.

"Between inventory, alternate sources, I believe we are okay. We will have to wait for how it plays out going ahead. There are no panic buttons pressed as yet. In terms of implications on the magnet and some of the electronic components, it is a combination of inventory and alternate sources, but if it continues, there is a different issue to deal with. The reported deal between China and the EU should also help mitigate it in the medium to long term," said PB Balaji, Group CFO, Tata Motors, in a media roundtable here.

Tata Motors said that it wants to continue to maintain a market share of 50 per cent in electric vehicles

(EVs). Further, the company pointed out that at the start of 2026, the Indian passenger vehicle (PV) industry had witnessed muted growth. It stated it is right on track with EV launches.

"If there is significant deterioration of the rare earth magnet, then we might relocate but at this stage, we have no trigger to change our plans. We have launched Harrier EV, and the dispatches will begin from next month. Sierra EV will also be launched in the second half of the year," said Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility.

Further, the demerger of the commercial vehicle (CV) and PV segments of Tata Motors will be completed in FY26. From July 1, the balance sheet will be split into two.

It also pointed out that the hybrid tax benefit had slowed down EV growth. "I



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was looking at the data, from the time when this was implemented to the time if we talk now, at a pan-India level, the EV penetration has improved from 2 per cent, 2.5 per cent to 4 per cent, whereas one of the States which has implemented it has remained at 1.5 per cent. Our focus is EV. We believe this is the destination technology, and we need to

double down on it," he added.

CV EXPANSION

Tata Motors' CV segment has entered into new international markets with targeted vehicle offerings.

"In sub-Saharan Africa, our focus is to continue sustaining our presence. We see that the demand is coming back gradually to Bangladesh, although it is still at a much lower level than pre-Covid levels. In West Asia, we have launched a new set of products in buses in the UAE and Qatar and are now launching a set of trucks with higher power-to-weight ratio... trucks that can get into construction and mining. We went to two markets, Morocco and Egypt. Morocco, we entered with pick-ups and now are introducing trucks, whereas in Egypt, we entered with our Prima and Ultra range," said Girish Wagh, ED, Tata Motors.