

Skoda Auto India eyes expansion in 2025

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With a demand uptick in the hinterland, Skoda Auto India is anticipating more than 50 per cent of its sales to come from tier-2 and -3 cities, a top official said.

The company is eyeing a market share of 2.5 per cent by the end of CY25.

To that end, it will be expanding its touchpoints across the country and will launch a new sedan in the Indian automobile market this year.

"The traditional definitions of rural do not apply in India. They are homes that are at the centre of clusters of villages and small townships. That is what we are focusing on, these clusters, which feed smaller areas around," Ashish Gupta, Brand Director, Skoda Auto India, told *businessline*.

"Last year, we had 260 outlets, and by the end of this year we plan to be around 350 outlets. Of the 350 outlets, up to 65 per cent of the outlets will be in tier-2 and -3 cities," he said.

"Once we complete our network expansion, I expect tier-2 and -3 towns to contribute more than 50 per cent of the business."



Ashish Gupta, Brand Director, Skoda Auto India

Through its product portfolio, the company plans to bring in a value proposition along with price affordability to its customers.

PRODUCT STRATEGY

"Our strategy is to stay relevant with the right product portfolio with the right service costs. Automatics is a big opportunity. India is still a heavy manual transmission market, with almost 75 per cent of the overall market being manual.

"But with the kind of engineering strength we have, we have a chance to influence how India moves and to bring the benefits with the ease of mobility that automatics can offer. This could be the building block of our

differentiation pillar," he said.

The company that recently launched Kylaq, a sub-4-meter SUV, is manufacturing 4,700 units per month.

After the network expansion, the company expects to grow the Kylaq volumes up to 30 per cent in 2025.

RARE EARTH MAGNET

Skoda Auto India stated that the rare earth magnet shortage will not impact its operations and vehicle production in India.

"We are evaluating bringing in electric vehicles to India. There is no impact of rare earth magnet on the domestic business," added Gupta.