

## Peugeot may relaunch Ambassador in a new avatar at Rs 5-9 lakh

Peugeot is likely to relaunch the brand with multiple variants

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The iconic [Ambassador](#) is likely to be relaunched from the [Peugeot SA \(PSA\)](#) stable in a new avatar and at a new price point.

[Peugeot](#) wanted to acquire the [Ambassador](#) brand and launch it as a state-of-the-car targeted at the mid-market segment, said Rajeev Shah, managing director and chief executive officer, [RBSA Advisors](#).

[RBSA](#) advised [Hindustan Motors](#) on the sale of the [Ambassador](#) brand to [Peugeot](#) for Rs 80 crore. The price point could be Rs 5.5-6 lakh and go up to Rs 9 lakh. The BS IV-compliant [Ambassador](#) Encore, launched in 2013, was priced at around Rs 4.98 lakh.

In the Rs 6-9 lakh category, there are a whole gamut of cars in the Indian market, namely the [Hyundai Xcent](#), [Suzuki Swift Dzire](#).

According to the contours of the arrangement, [Peugeot](#) had acquired not just the mother brand [Ambassador](#) but all its variants as well, said Shah. However, the sale doesn't include the Uttarpara plant in West Bengal, where the [Ambassador](#) used to be manufactured. "This is purely a brand sale. It includes the [Ambassador](#) with its variants. [Peugeot](#) is likely to relaunch the brand with multiple variants."

But [Peugeot](#) forged a broader deal with the C K Birla Group last month. That includes two joint venture agreements. In the first, PSA would hold a majority stake in a joint venture with [Hindustan Motors Finance Corporation \(HMFC\)](#) for assembling and distributing PSA passenger cars in India. Was there a possibility that the [Ambassador](#) would be manufactured at the HMFC plant in Chennai? Shah says it could be explored. The Chennai plant, which was hived off from [Hindustan Motors](#), assembles [Mitsubishi](#) cars and [Isuzu](#) commercial vehicles.

PSA will also set up an equal joint venture with [AVTEC](#), also formerly part of [Hindustan Motors](#), for manufacturing and supplying power-trains. The initial outlay between the C K Birla group and PSA is pegged at Rs 700 crore.

Shah said the deal made sense for [Peugeot](#) because building a brand in India, which is already cluttered, would cost many times over the deal size for the [Ambassador](#).

"Every year, 40-50 models of passenger vehicles are launched in India. The [Ambassador](#) brand, on the other hand, is deeply ingrained in the psyche of consumers. [Peugeot](#) would like to make it the Rolex of cars," he said.

For [Peugeot](#), the [Ambassador](#) brand will give it a toehold in the Indian market. It had entered the market through a partnership with [Premier Automobiles](#), which ended in the late 1990s. In 2011, the French auto major made another attempt to enter the country independently. That dream finally appears to have taken wing in association with the CK Birla group.

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