

Hindustan Motors eyes foreign partner

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NEW DELHI: India's oldest car manufacturer, Hindustan Motors, the maker of the Ambassador car, is scouting for equity partners including a foreign carmaker after the demerger of its Chennai unit early this year.

The company may look at developing new products with the foreign partner.

"We are looking at both financial investors as well as a foreign carmaker," said Uttam Bose, managing director, Hindustan Motors.

"We are not looking at investors for the whole gamut but individually for the two separate entities (Chennai and Kolkata). It will not be contract manufacturing but a participation that includes developing new products for the market."

In both cases the CK Birla

Group would remain the main promoter. The company had in January decided to demerge and transfer its Chennai car factory to a wholly-owned subsidiary, Hindustan Motor Finance Corporation.

Hindustan Motors may now be rechristened Hindustan Motors Bengal. The company is developing a sub-4 metre version of the Ambassador, which will cost less due to lower tax rates, and is expected in 2014.