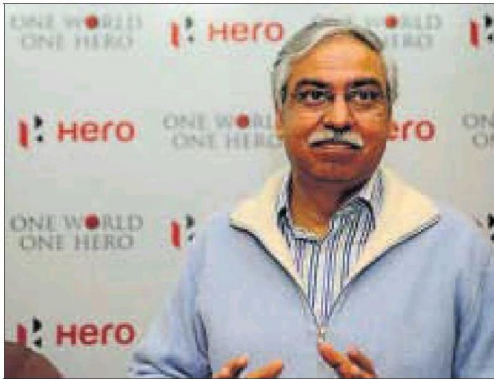


# On a new drive: Sunil Munjal to focus on insurance, defence businesses



■ Sunil Munjal stepped down as joint managing director of Hero MotoCorp Ltd in July 2016

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**NEWDELHI:** Sunil Munjal, whose separated from his brothers in 2016 to carve an independent identity, has formed a new group company called Hero Enterprise, which has started selling life and health insurance policies and plans to venture into aerospace parts.

Hero Enterprise will continue to focus on its existing real estate and steel businesses even as the group holding company consolidates its businesses and exit smaller ones such as Hero BPO.

Sunil Munjal already sold motor insurance for Hero MotoCorp Ltd while he was still a part of the Pawan Munjal-led Hero Group. In an interview on Thurs-

day, Sunil Munjal said that his insurance distribution firm, EnsurePlus, is also into non-motor insurance such as assets, buildings and aircraft. It has also started selling life insurance and health insurance policies. For life insurance, the firm has a partnership with ICICI Pru Life Insurance, while for general insurance, it has tied up with National Insurance and Tata AIG.

“We are the largest distributor of insurance in India... probably in the world. We wrote 10 million policies last year. Nobody does even half of it,” Munjal said.

“Distribution is where the margin is. For us, to step back and put up an insurance company is nothing... It takes around ₹100 crore to get a licence. We have

looked at that a few times but distribution is where the main margin is and relationships are. That’s where market connect is and we are very good at it.”

Hero FinCorp Ltd, a two-wheeler financing company run by Sunil Munjal’s nephew Abhimanyu, also plans to get into insurance distribution and that means a larger chunk of Sunil Munjal’s motor insurance business that used to come from Hero MotoCorp will get affected.

“They will compete like any other entity. Within our group, we always had this system. We could buy and sell from our companies as well as outside. So, that ensures that everybody maintains quality and you are buying because of merit and not because

it is your company,” he added.

Sunil Munjal, 56, stepped down as joint MD of Hero MotoCorp Ltd in July 2016. By exiting Hero MotoCorp, he raised ₹3,500 crore.

Sunil Munjal’s businesses were a small part of the \$6 billion Hero group founded by Brijmohan Lall Munjal, the family patriarch who died in 2015 at the age of 92. He had five strategic businesses: insurance distribution, Hero Realty Ltd, Hero Management Service Pvt Ltd, Ludhiana-based Hero Steels Ltd and Hero Mindmine Institute Pvt Ltd.

Munjal has hired PN Gupta, a former executive from Tata Group’s TAL Manufacturing Solutions, to enter the aerospace parts manufacturing.

A person aware of Munjal’s

plans in the defence sector said that he is scouting for manufacturing sites for composites.

“Talks are still at an exploratory stage,” the person said on condition of anonymity.

Munjal said that new business initiatives are not an area of “public conversation” and declined to comment specifically on his diversification. “I have never said yes or no. I would say it is a difficult area but high potential area because India is the largest known importer, in terms of reported numbers, of defence equipment in the world,” he said.

“In today’s time, there is no reason for India to be (an import dependent country). You have every capability and potential to build that capability (to manufac-

ture) here in India,” he added.

With 60% of India’s defence requirements met through imports, local defence production has emerged at the heart of the Narendra Modi government’s ‘Make In India’ programme.

Under Hero Realty, Munjal has completed one project in Haridwar and a couple of others are under construction in Ludhiana and Mohali.

“We are targeting middle India — middle income, middle class, lower middle class, small town, mid-sized cities, tier III, tier IV cities, and are trying to see if we can help improve people’s standard of living. So, the model is based in the price range between ₹20-80 lakh and the bulk of it will be between ₹30-60 lakh,” he said.