

This IPL cricket shirt sponsor for Delhi Capitals is keeping pace with the likes of Samsung and Nokia's branding

Started in 1986 by Sanjay Gupta's father, Delhi-based APL Apollo Tubes has over 1,000 steel products and uses a unique Direct Forming Technology (DFT).

11th Apr 2019



7+ Shares



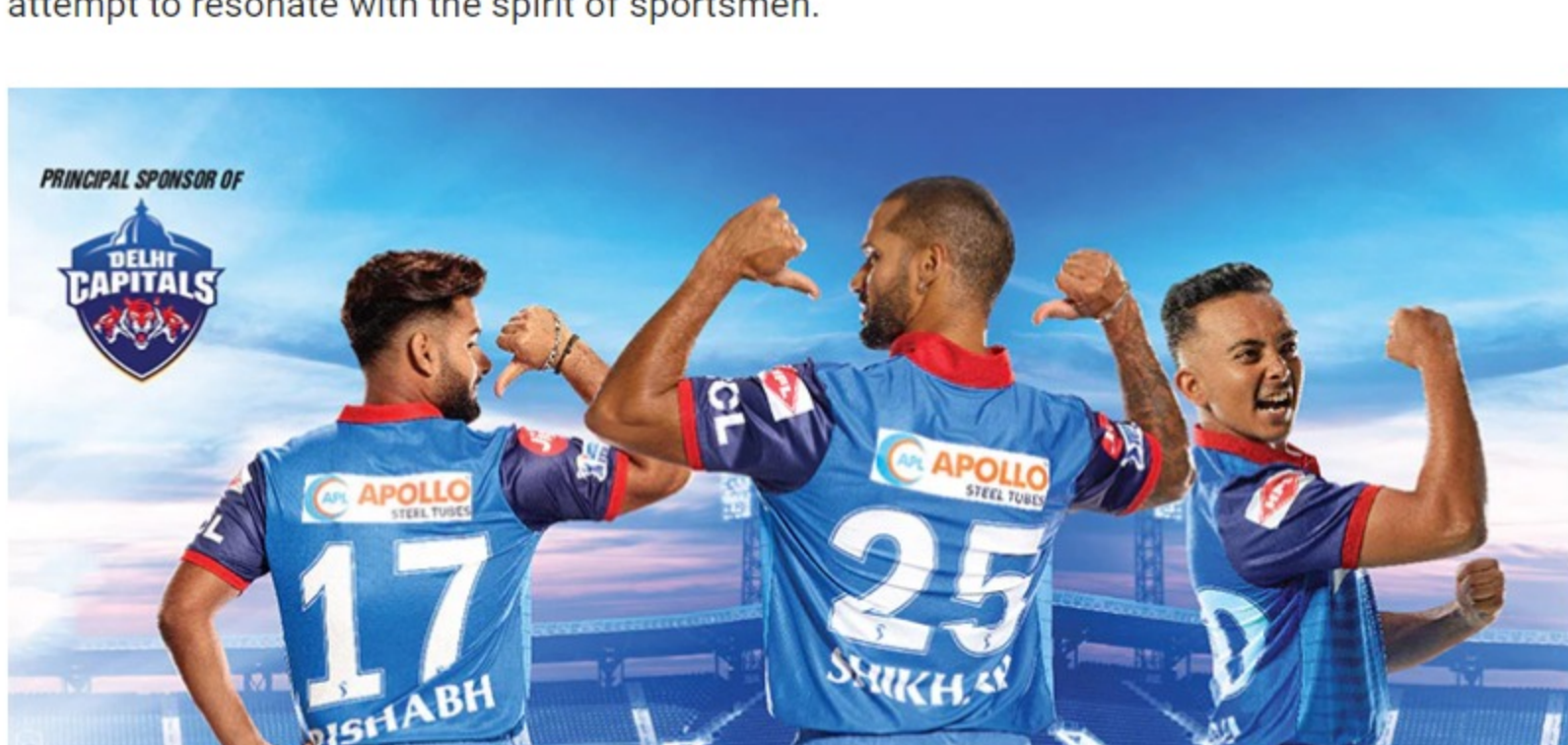
Can you name all the eight **Indian Premier League (IPL)** shirt sponsors (front) for this year? A lot of fans probably can, and the **\$6.13 billion** franchise has become an extremely popular medium for brands to advertise through kit sponsorships.

This year, international brands such as **Samsung (Mumbai Indians), Nokia (Kolkata Knight Riders), Daikin (Delhi Capitals)**, have taken up title sponsorship space in the front of the shirt.

But some truly IPL-crazy fans could also name sponsors who are advertising on the back of the cricket jerseys. **Jio, Pillsbury, and Colors (Viacom 18)** are probably the easiest to remember.

But for cricket captain Shreyas Iyer-led Delhi Capitals, earlier known as **Delhi Daredevils**, the shirt sponsor (back) is the **Rs 5,334 crore turnover** steel pipes maker **APL Apollo Tubes**.

Through this medium, the Delhi-based steel pipes maker is adding to its brand value in an attempt to resonate with the spirit of sportsmen.



APL Apollo's branding on the back of the Delhi Capital's shirt

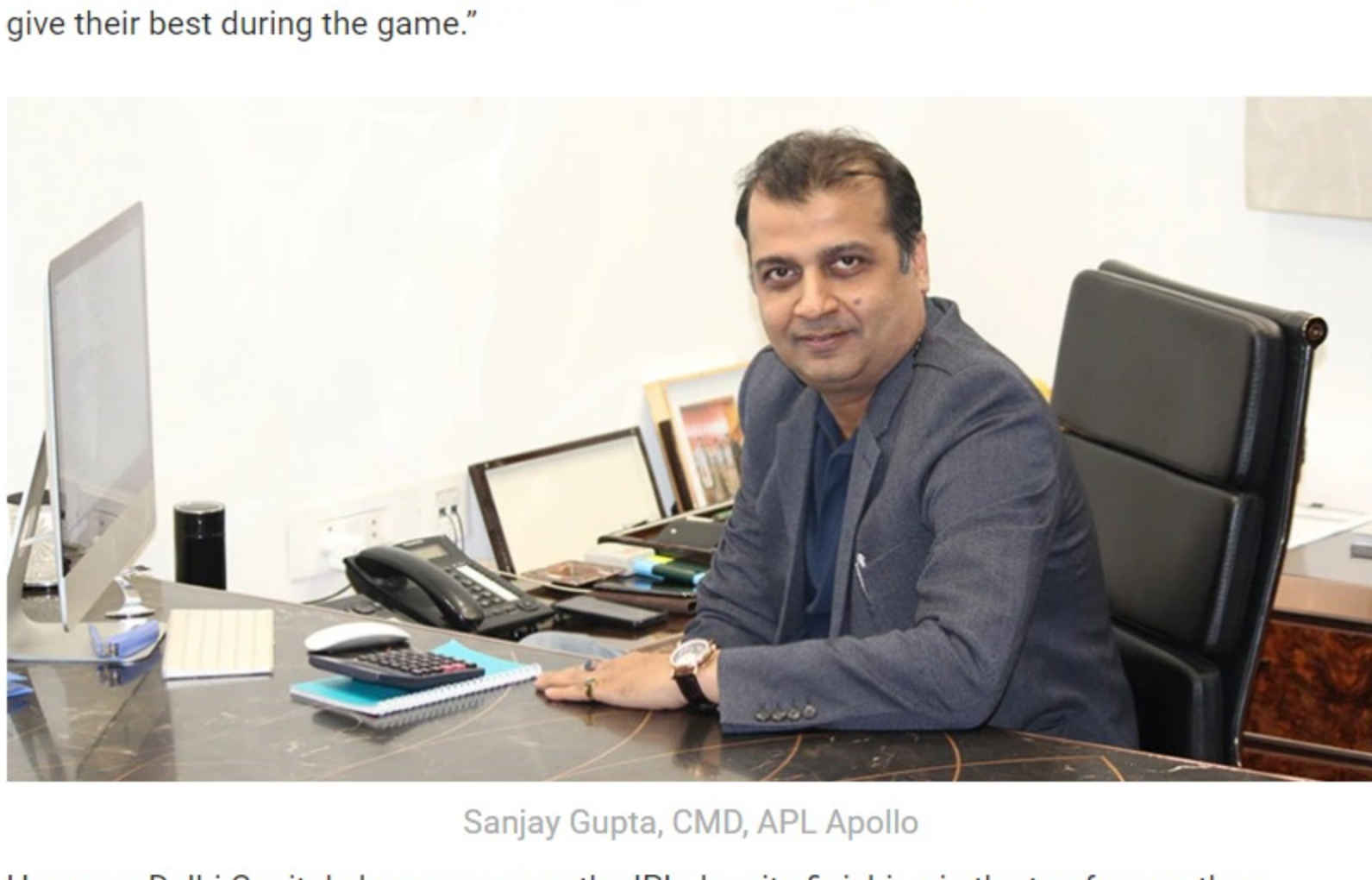
Sanjay Gupta, Chief Managing Director, APL Apollo, says, "The IPL offers maximum reach and generates a strong mass connect and ensures visibility. We want to reach out to millions of IPL fans through this association."

Since both the steel tube maker and the IPL team are from Delhi, the association makes sense. Sanjay adds,

"To describe how we feel being associated with this team, I would say Delhi Capitals is a great team with a perfect blend of youth and experience and some handy all-rounders to give it a balanced look."

With APL Apollo gearing up to go all-out with its brand communication, the company has come up with the theme 'inner strength'.

Sanjay says, "This theme relates to the company's core values and products since we make vital steel pipes. To win IPL, teams need not only strength but also mental resilience. Akin to infrastructural needs vis-a-vis steel, the inner strength of players is pertinent to fight back and give their best during the game."



Sanjay Gupta, CMD, APL Apollo

However, Delhi Capitals has never won the IPL despite finishing in the top four on three occasions. But from a brand communication strategy perspective, it makes sense to advertise on any IPL team. The competition's value increased from \$5.3 billion in 2017 to \$6.13 billion in 2018 after being transmitted to regional channels in eight languages, according to research by Duff & Phelps.

Varun Gupta, Managing Director, Duff & Phelps, [commented on the report's](#) launch: "The change in content consumption, influx of over-the-top (OTT) and digital viewing platforms, and increased support from advertisers, broadcasters and sponsors have given the IPL greater significance in terms of brand value."

APL Apollo can expect to see positive results from its branding on the Delhi Capital's kit. Its current net worth of **Rs 838 crore** could improve quickly since the brand invested heavily on brand building in FY 19.

Where the journey started

APL Apollo's high brand value and large scale of operations were not built overnight. It was started by Sanjay's father **Sudesh Gupta** in **1986**, and was named '**Bihar Tubes**'.

"My father started the company for producing steel tubes and pipes especially for irrigation purposes. He also wanted to grow it and become known globally," Sanjay says.

The company initially set up a plant in Sikandrabad, a town in Uttar Pradesh, to manufacture electric resistance welding (ERW) black pipes. The unit had an installed capacity of 6000 metric tonnes per annum.



A look inside APL Apollo's manufacturing unit

"The business was funded through owned funds and banking facilities for working capital requirements. Till date, the investment is around Rs 1,000 crore," he says.

And after he took over nearly 21 years ago, APL Apollo evolved and developed from a steel tube manufacturer into a global leader of branded steel products, Sanjay adds.

Presently, APL Apollo is the largest producer of ERW steel pipes in India. Its catalogue comprises hollow sections, black pipes, galvanised pipes, pre-galvanized pipes, and direct forming technology (DFT) products.

"Our annual capacity is around two million tonnes. We enjoy a diversified product portfolio of over 1,000 products, providing a strong competitive edge. In fact, our product basket is around three or four times the size of the product basket of our closest peer," Sanjay says with pride.

Applications and technology

In 2018, APL Apollo was awarded patents for never-seen-before designs for six of our product categories, he adds.

APL Apollo's steel products find applications in various sectors such as **agriculture, infrastructure, greenhouse projects, energy, power, automotive, construction**, and more. The steel tubes are critical to the structures of **metro railways, pipelines, towers, stadiums, hand-railing, roofing, solar plants, cranes**, and many more.



An APL Apollo facility

APL Apollo is also listed on the NSE and BSE. Over the years, the company has built a three-tier distribution and supply chain mechanism to ensure its products and services are easily accessed by its customers.

The company boasts 650 direct distributors/dealers, 40,000 retailers, and a market of over 400 towns and cities.

"Consecutively for two years, we organised the largest ever distributor meets in Star Cruise ship with around 1,000 participants. The various brand visibility and development exercises have helped build over 300 stock keeping units (SKUs), which is the largest in the industry," Sanjay says.

It has also commissioned eight lines of the latest DFT plants across its existing facilities in Bengaluru, Sikandarabad, and Raipur, he adds.

Unlike conventional technologies, DFT can form rectangular and square hollow sections of different

sizes and thickness directly. This translates into cost-savings and better productivity at both the customer and company level, APL Apollo said in an annual report.

'The rectangular and square hollow sections produced with the help of DFT are lesser in weight compared to the conventional method of tube manufacturing, and they provide better strength,' the report stated.

Sanjay explains that these DFT products offer undisputed advantages in terms of flexibility, production capability, and cost reduction. He adds,

"These products lead to cost savings of up to three to five percent. Another key feature is that we can manufacture customised and tailor-made sizes of pipes. This acts as a very key competitive advantage for API Apollo."

Currently, API Apollo is running seven lines of DFT and each line produces 5,000 tonnes of product per month. With this tech up its sleeve, APL Apollo aims to target customers who are no longer restricted to predetermined sizes of steel pipes, but need sizes customized to their needs.

"Going forward, our focus will be to further strengthen the product portfolio by increasing the share of innovative and high margin value-added branded products such as Direct Forming Technology (DFT) pipes, Tricoat pipes, and galvanized pipes," Sanjay says.

With its balanced approach of boosting manufacturing capabilities as well as brand value, APL Apollo is in the game for the long run.

However, it remains to be seen if it will continue as a sponsor for Delhi Capitals. Besides Idea Cellular, no brand has continued as the shirt (back) sponsors for Delhi Capitals for more than two years in the IPL's 12 editions.