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DavyMarkham Joins \$Billion Indian Infrastructure Group IVRCL

Sheffield-based, heavy engineering concern DavyMarkham has been acquired by India's leading engineering procurement and construction company, Hindustan Dorr Oliver (HDO) Limited, a subsidiary of IVRCL Infrastructures & Projects Ltd, which is involved in engineered solutions, technologies and EPC installations in liquid-solid separation applications. The acquisition provides HDO with an entry into the Heavy Engineering sector.



E Sudhir Reddy, Vice Chairman and Managing Director, IVRCL, with Kevin Parkin, Managing Director, DavyMarkham

The firm's Managing Director, Kevin Parkin, who was named Business Person of the Year in the Sheffield Business Awards, and Financial Director, Duncan Hay, will continue in their current roles, along with the management team.

DavyMarkham is a 180 year old manufacturing company based in Sheffield, UK and is involved in the design, manufacture and assembly of large equipment used in the mining, quarrying, power generation, oil, gas and nuclear sectors; it supplies international markets with tunnelling and mine hoisting equipment, and also undertakes the machining of individual components weighing up to 350 tonnes. It provides total engineering capabilities for extremely large turnkey projects, managing the whole process from engineering design, fabrication, machining to installation and commissioning of heavy and complex components and assemblies.



Over the years, DavyMarkham has made a significant impact on worldwide engineering and manufacturing; it has supplied the largest-ever steel mill stand for China, tower saddles for suspension bridges in Hong Kong and San Francisco, cutter heads for a variety of tunnelling projects including Niagara Falls hydroelectric project, railroad tunnels in China and an irrigation project under a tiger reserve in India. In the mining industry, DavyMarkham has supplied more than 300 hoists across the world for a variety of environments, from the sub-zero winters of Northern Canada to the tropical temperatures of the gold coast of Ghana. Within the United Kingdom, it has worked on such landmark projects as the Channel Tunnel, London's Heathrow Airport Control Tower, Thames Barrier and Underground tunnels, Gateshead Millennium Bridge and British Coal mine winders.

IVRCL is amongst the leaders of the Indian infrastructure industry, with a group turnover exceeding US\$1 billion, and it owns a controlling stake in HDO. IVRCL Group has three listed entities in the Indian stock exchanges, NSE and BSE. HDO sees the acquisition as a platform for expanding into new sectors, using DavyMarkham's corporate credentials and engineering expertise; it intends to leverage on this expertise and gain a foothold amongst domestic heavy engineering clients. HDO intends to invest strategically in new plant and equipment at the Darnall works, continue the company's successful apprentice training scheme and expand DavyMarkham's sales and marketing infrastructure, in order to tap into opportunities in India. The IVRCL Group will introduce the Sheffield-based company to its existing international contacts.

"It is great news for DavyMarkham's customers, employees and suppliers, since HDO along with its parent is financially very strong, very growth orientated and dedicates itself to continuous improvement in all fields of its business," says Kevin Parkin. "There are considerable synergies between ourselves and Hindustan Dorr-Oliver, while IVRCL's commercial aspirations in markets like nuclear energy match ours perfectly."

“DavyMarkham was on the verge of closure four years ago, but with the financial support of our buyout partners, Endless, we have been able to turn around the business and make it an attractive acquisition prospect,” he adds. “Working closely with the workforce, management, unions, suppliers, the bank and local council, we have introduced huge improvements and efficiencies into the business and we are now facing an exciting future. I cannot fault the support Endless has given to us and would recommend them as the perfect partner in a turnaround financing transaction.”

The new owner HDO, a majority-owned subsidiary of IVRCL, is based on a gigantic 40,000 sq metre site and equipped with an R&D facility certified by the Indian Government, HDO is exploring business opportunities in oil & gas, power and uranium processing and this month announced moves into the nuclear power plant sector.

This provides a synergy to DavyMarkham’s own market objectives. When linked with the Sheffield company’s close physical and technical links to the nearby Nuclear Manufacturing Research Centre, this should enable both concerns to develop world-class engineering and manufacturing facilities for supplying new-build nuclear energy markets. HDO also intends to build DavyMarkham’s presence in the oil, gas and power transmission markets, borrowing upon the group’s expertise and industry contacts.

IVRCL, HDO’s parent, is engaged in the development and execution of engineering, procurement and construction (EPC) and lump sum turnkey (LSTK) projects in key infrastructure sectors such as power, water & environment, transportation and construction. Last year, the company achieved a turnover of Rs 49,830 million (US\$ 1.07 billion), recording a growth of 35% over the previous twelve months. Its distinguished clients include the Oil and Natural Gas Corporation Limited of India (ONGC), Nuclear Power Corporation of India, the Airports Authority, Indian Oil Corporation, Tata Steel, the National Highways Authority, the Ministry of Defence and other Government departments.



The group employs over 7500 full-time staff and around 15000 temporary workers. HDO prides itself on a well-qualified and highly trained human resource base, with the majority of its employees either technical or professional grade. In Sheffield too, the emphasis will remain on training, with the apprenticeship programme and links with local universities and technical colleges continuing, whilst there should be considerable opportunities for career development amongst existing staff, as the business expands in India as well as UK.

“We shall certainly need more skilled workers and to train up people to fill important management and production roles, as the business grows,” says Kevin Parkin. “The good news for young people and their parents in the region is that we shall be able to offer jobs with a good future in an expanding industry, for many years to come.”

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Group picture caption: S Chandra Sekaran, Executive Director Hindustan Dorr-Oliver, S V Ramkumar, CFO & Executive Assistant to CMD IVRCL, E Sudhir Reddy, Vice Chairman & Managing Director IVRCL, Ian Forbes, Chairman DavyMarkham, Kevin Parkin, Managing Director DavyMarkham.