



ALPHA
METALLUM

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Background

We at Alpha Metallum are a company setup in the DMCC Free Zone in Dubai, UAE and are amidst the boom in the steel and metals industry that is being witnessed in the world today. We deal with Cash Buying of old and/or obsolete ships. The company has been set up under the astute leadership of Mr. Anirudh Nath, and our promoter and management team comprises the best mix of industry veterans. The Company is owned and managed from the UAE, and business is generated through Business Consultants/Brokers and Lawyers based in London, Singapore, and Dubai.

We are a company setup, owned and exclusively managed from the UAE and the business lead generation is done through Business Consultants/Brokers & Lawyers based in London, Singapore, Dubai.



Vision of the company



To grow as the leader in GCC, Middle East and on a Global scale in the business of Cash buying of Ships, Trading of Ferrous and Non-Ferrous Metals, and Metal Scraps.

Industry insights

a. What is ship breaking?

1. When a ship passes its serviceable age, it is either sunk or sold for recycling to a Ship Breaking Yard
2. The Ship Breaking Yard first drains all the oil and clears the hazardous materials onboard, and then strips the ship of all its stores, furniture, radio equipment and spares onboard
3. Post this procedure, the yard dismantles the ship piece-by-piece using winches, cranes, and gas cutters, powered with a mix of liquid petroleum gas and liquid oxygen, extracting reusable steel plates and heavy melting scrap
4. Certain quantities of non-ferrous metals are generated from the recycling operations along with certain machinery that can be sold in the second-hand market
5. The price of a Ship is determined by its condition, place, and year of built, and type. The main types of ships are Tankers, Bulkers and Containers, and many specialized ships and vessels like Rigs are also sold in the scrap market
6. The price of a ship is also determined by its "Light Displacement Tonnage" (LDT), that is defined as the weight of the ship excluding cargo, fuel, water, ballast, stores, passengers, crew, liquid in systems, and any constants. Ships are traded in the international market on a USD/Long Ton basis
7. Recycling markets have developed a "reuse" market for every nut, bolt and item found on the ship. It is truly an industry that converts an obsolete ship's scrap into Gold

b. What is cash buying and how is it done?

Cash buying is the norm in the Ship Breaking industry. 98% of the ships in the Indian subcontinent are sold to cash buyers. Cash buyers usually work with all kinds of shipbrokers, and are offered several ships on a daily basis. They quote their best price on an “AS IS” or “delivered” basis, along with their choice of port in case of the latter.

Cash buyers usually operate in one of the two following ways:

i. As is basis

The term 'As Is Basis' means that a ship is sold to the cash buyer on an 'as is where is basis', wherever she stands afloat with everything on board whatever it may be.

Process

- a. A cash buyer takes delivery of a ship that has passed its serviceable age at a delivery port mutually agreed upon by the owners and the cash buyer
- b. The cash buyer then places their own crew on board, renames the ship, changes the flag (place of registry) of the vessel, and takes fresh insurance cover for the last voyage to a ship-breaking destination of their choice
- c. The vessel is then formally registered in the name of the cash buyer
- d. The cash buyer has to account for all expenses from the day he takes delivery to the day he delivers the ship to his customer. This includes all port charges, crew salary and provisions, fuel expenses, insurance costs, radio equipment charges, legal fees, flag charges, inspection charges, commissions and agency fees. Based on experience, a cash buyer can estimate to a fair degree of accuracy the costs of bringing a ship from the port of delivery to its final destination

ii. Delivered basis

In this method, the cash buyer negotiates their purchase price with the ship owner and signs a Sale Purchase Agreement / Memorandum of Agreement with them. The owners themselves deliver the vessel to the nominated port of delivery as decided by the cash buyer. The ship is usually sold to the ship breaker on a back-to-back basis at an industry accepted commission of 3%.

Process

- a. The cash buyer usually places a 10% to 15% advance with the owners
- b. The owners place their own crew and the ship sails in its present name to the final place of delivery
- c. The owner delivers the vessel to the ship breaker and the cash buyer serves as an intermediary who facilitates the complete transaction

Insurance

In both of the above two methods the ship sails with complete insurance for its hull, machineries and crews. Insurance companies are primarily based in London and Singapore and cover even unforeseen accident or oil spills.

Major players

There are many cash buyers that work in the international market, the major ones being:

GMS - UAE (Dubai)

Wirana Shipping Corporation – Singapore

Best Oasis Limited - Hong Kong

NKD Maritime Limited - UK

c. Where are ships broken?

There are 4 primary ship breaking destinations in the world:

1. India – In India, the Ship Breaking destination is Alang, a small town in the Gulf of Khambat in Bhavnagar district, Gujarat and the largest Ship Breaking yard in the world. It was set up in 1983 and accounts for more than 50% of the entire salvage tonnage sold in the world. The favorable depth of the tide at Alang helps ship breakers buy and dismantle ships of any tonnage and kind
2. Pakistan – In Pakistan, Ship breaking is done at Gadani Port. There are about 100 yards here, out of which about 40 are operational
3. Turkey – Ship breaking is done at Aliga Port on the Aegean Coast in Turkey
4. Bangladesh – Chattogram is the destination for ship breaking in Bangladesh, with 120 yards of which 50 are operational



Our products

a) Trading of ships

Usually, a ship has a fixed lifespan of a few decades, during which it withstands so much wear and tear that repair and retro-fitting becomes nonviable. Thus, a vessel enters its final destruction phase when:

- It has lived its use and is not seaworthy anymore
- Repairs on the old vessel are not economically viable anymore
- The material that can be recovered from the old ship has more value than the intact vessel

We purchase such old and worn out ships around the world and sell them to responsible and green ship breaking companies in countries like India, Bangladesh and Pakistan. Post the breaking, the assets of the ship are sold after determining the LDT (Light Displacement Tonnage) transaction, and most constituent parts are melted for recycling or repurposing.



b) Trading of ferrous and non-ferrous metals

Having an in-depth knowledge of the metal and commodities industries we are into trading of Ferrous and Non-Ferrous metals. This would include the trading of Nickel, Copper, Zinc, and Aluminum in various LME locations around the world. We have a wide network of counter parties in South East Asia in locations like Singapore/Hong Kong/Malaysia/China which we will leverage to expand our metal trading warehouse.



c) Trading of scrap metals

We buy all grades of scrap metal for recycling from the Middle East and European markets, and offer competitive prices and the best services to Scrap Metal Traders, Refiners, and Exporters in India and China.

We make sure we purchase our goods only from recognized sources, or from areas where we have our physical presence during loading of cargo. Our principled approach in quality control of the cargo that we trade in ensures buyer satisfaction and our success in the Metal Scrap Trade.

We primarily deal in the following metal scraps:

- Copper Scrap
- Aluminum Scrap
- Brass Scrap
- Nickel Scrap
- Zinc Scrap
- New / Secondary Scrap Stainless Steel



Our core competencies



Team

Our team is a well-balanced mix of experience and youth, that ensures safe, reliable, ethical and steady business, and provides acceptable returns to its shareholders and investors





Experience

Our CEO is well regarded in the business of trading commodities with immense goodwill in the industry. In addition, our management executives are well-versed with legal, banking norms, rules & regulations, and Modus Operandi of the industry





Industry knowledge

Our entire team is well known in all the ship-breaking centers and the secondary ship market, especially in India. We have vast experience in working out different kind of deals, working with lawyers from different parts of the world and examining legal positions to ensure all ships purchased are free of any liens and encumbrances. Moreover, we have our own set of manning agencies and agents who we work with to ensure that ships are brought from anywhere in the world to their final delivery destination in the most effective, efficient and safe manner



Compliance

We as a company have pledged to take compliance, AML & ATF regulations extremely seriously to ensure transparent and compliant transaction/business relationships with all parties

- a. We have tied up with IMB (International Maritime Bureau) vessel screening service, which allows us to perform the following functions for our vessel trading business:
 - Background Check (OFAC, Sanctions, Mortgages, Encumbrances and etc.)
 - MOA Preparation (Memorandum of Agreement Preparation and Checking on behalf of Client)
 - Documentation (Documents Verifications from Authorities on behalf of Client)

www.imbship.com.tr
- b. We have also purchased a 'Sentro Web DJ', a screening software provided by Dow Jones, which helps us screen our counter parties before establishing a relationship with them
- c. We have a robust AML/KYC program through which all our counter parties are screened and vetted before conducting any business

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