

Tomini Shipping flexes its dry bulk muscles

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Secondhand market acquisitions being actively considered



TOMINI SHIPPING CHAIRMAN IMTIAZ SHAIKH AND CHIEF EXECUTIVE NITIN MEHTA AMID THE FORMER'S VINTAGE CAR COLLECTION.

DUBAI-based Tomini Shipping is making further forays into the dry bulk market as chairman Imtiaz Shaikh builds on his grandfather's legacy by expanding the family's asset portfolio.

Like most shipping families, the Tomini clan prefers to keep a low profile. But the company came into the spotlight last year with its activity in the secondhand market, seeking out good deals and building up its fleet amid low asset prices.

But this is just the beginning.

"Tomini is still actively looking at the secondhand market and if the right opportunity presents itself, we will of course go for it," says Mr Shaikh in an interview with Lloyd's List.

At present, Tomini has a fleet of four ultramax bulk carriers and five supramaxes, with six newbuildings under construction in China. The nine ships currently on the water are commercially managed by Alpina Chartering in Denmark.

Mr Shaikh, a 40-year industry veteran with shipping in his blood, recently doubled his return on investments made last year.

Tomini bought the 1995-built, 45,600 dwt supramax *Alby Melody* at \$2.1m in July 2016 and renamed it *Tomini Amity*.

In October this year, the vessel was resold to Ukraine-based NVL Trans Shipping at \$4.2m.

Although profit was part of the motive, chief executive Nitin Mehta said that the deal was also done to keep the fleet young in compliance with the latest environmental regulations and to keep up with fast-growing maritime technology.

Tomini has a fleet of young ships around three years old, and the average age of the fleet is expected to be less than two years by 2019.

“We want to buy old tonnage if the opportunity is right, but at the same time keep ordering new ships because that is the most viable thing to do going into the future,” Mr Mehta added, pointing out that newer vessels handle the latest technology going forward.

Mr Shaikh aims to have the company become a specialist in selected dry bulk vessel segments, namely ultramaxs and kamsarmaxes, and to continue expanding the fleet as time passes.

“But everything is about cycles and timings,” Mr Shaikh says. “Our basis of investment is generally on a risk-reward ratio.”

In a sense, the company wants to be ahead of the curve so that the risk is lower and the reward is much higher, he adds.

“We invested in the last two years in the dry bulk segment as we believed that it was the right time to grow in the sector.”

Another segment

Meanwhile, Mr Mehta notes that although the core of the business is dry bulk, if conditions in the segment are fragile and the tanker market is at the right stage of the cycle, the company will not be averse to entering another segment.

Tomini started its shipping business in 1952 from Mumbai in India. but later moved to Pakistan and became the largest merchant shipping company of that time.

However, the company encountered the nationalisation of the Pakistani shipping industry in 1974, which took away its entire fleet, and subsequently shifted its shipping operations to London. Tomini then moved to Dubai in 2004.

The company had a sizeable dry bulk fleet during the early 2000s but sold off most of its bulkers over 2007-2008 before the dramatic collapse in charter rates hit the market.

It has been making a strong comeback, ordering around six vessels in 2013 and buying seven ships in the secondhand market over the last two years.

Vintage car collection

However, shipping is just one part of the business. If you go to Al Barsha in Dubai, the Tomini building is known for its collection of classic cars.

Mr Shaikh has around 100 vintage cars that he has turned into a business.

“Although the shipping market was not doing good in the past three years, the cars market was phenomenal,” he says, adding that this has helped financially through the past few years.

“With the tough life a shipowner has, here is my therapy to stay happy,” he says with a smile on his face

