

Alang's dilemma over scrapping sanctioned dark fleet

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The 'Nolan' has been a sanctioned vessel for more than three years

MUMBAI: Scrapping of so-called [dark fleet](#) clandestinely used to carry sanctioned oil cargo of Russia, Iran and Venezuela (till the capture of Maduro) and getting sanctioned themselves is posing a risk to ship recycling yards at [Alang](#) in Gujarat as it signals a failure to enforce a global treaty, turning it into a 'paper tiger' and hurting India's reputation as a compliant maritime nation. India is a contracting party to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC) adopted by the International Maritime Organisation, which entered into force on June 26, 2025.

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In 2025, about 25 per cent of the tonnage arriving at [Alang](#) – the world's longest stretch of ship recycling beaches - came from ghost fleet. "It signals to the world that India's new 'Green Recycling' law does not apply to ships with 'dark' histories, potentially blacklisting the entire Alang region from future Western business," said a [shipping](#) industry executive based in Athens, Greece. The modus operandi involves a sophisticated network of sanctioned individuals and [shipping](#) companies employing fraudulent tactics to bypass international sanctions and enter the Indian ship recycling market. These entities use deceptive documentation, 'ghost' vessel identities, and false flag registries to mislead Indian authorities, effectively forcing India into technical violations of the [Hong Kong Convention](#). For instance, in the case of the sanctioned very large crude carrier named 'Sunflower', earlier known as '[Nolan](#)', the primary method of the alleged fraud involved sanction-busting through the creation of fake vessel identities. Sanctioned vessels, such as the 'Nolan', are being

purchased with minimal deposits and moved to India with their Automatic Identification System (AIS) disabled to avoid satellite tracking. Vessels are presented under fraudulent names ('Sunflower') while their true registered name ('Nolan') remains under sanction. Fraudsters issue fake flag certificates and sale agreements to hide the sanctioned ships and their owners.

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The only real data that cannot be fudged is the ship's International Maritime Organisation (IMO) number. The issue has brought forth an apparent jurisdictional mismatch between the Directorate General of Shipping (D G Shipping), India's maritime administration and the 'Designated National Authority' for ship recycling per the Recycling of Ships Act, 2019 and Gujarat Maritime Board, the two primary regulatory bodies overseeing the matter, as they represent different priorities for the Indian maritime sector. The Gujarat Maritime Board (GMB) directly oversees the Alang ship recycling yards. For the GMB, given its focus on state-level economic revenue and local employment, a very large crude carrier like the 'Sunflower' ('Nolan') represents thousands of tons of steel and months of work for local labourers. "The GMB is often hesitant to turn away such business as it drives the local economy," said a ship recycling source in Alang. "The GMB is under pressure from recyclers who have paid big money to purchase these vessels," he added. With the ship recycling industry facing tough days in the wake of the booming freight market that force fleet owners to continue running ships instead of scrapping them, recyclers in Alang have no choice but to accept the ghost ships for recycling. "I don't blame them. More than 115 yards in Alang have invested money to upgrade their facilities to HKC standards. They cannot afford to sit idle," the Alang ship recycling source said. Alang recyclers benefit from the US Office of Foreign Assets Control (OFAC)-sanctioned vessels because they get such ships at discounted prices. However, entities such as GMS Inc, the world's top cash buyer of ships for recycling, has stayed away from dealing with sanctioned ships. For the DG Shipping, the recycling of the [dark fleet](#) at Alang is testing its oversight on national regulatory compliance and international diplomacy. As India's representative at the International Maritime Organization, the D G Shipping is responsible for ensuring India adheres to global treaties like the [Hong Kong Convention](#). "As the Designated National Authority for ship recycling, if it looks the other way regarding sanctioned vessels, India risks being labelled a rogue state in the shipping world, which could lead to diplomatic friction with the U.S. and the EU," said the Greece-based shipping industry executive mentioned earlier. Under the HKC and a DG Shipping Engineering Circular issued in 2025, every ship must possess a verified Inventory of Hazardous Materials (IHM). Sanctioned vessels lack transparent technical records or authorized surveys, making it impossible to issue the mandatory International Certificate on IHM. Sanctioned vessels often bypass the strict hazardous material protocols mandatory worldwide as of June 26, 2025. Accepting such vessels validates claims that 'Green Recycling' in Alang is a facade, particularly when the vessel lacks a verified IHM. Further, to be legally recycled under the HKC, a vessel must obtain an International Ready for Recycling Certificate (IRRC). Since major international ship classification societies generally refuse to certify OFAC-sanctioned vessels to avoid secondary sanctions, these ships cannot legally fulfil the HKC's certification requirements. The HKC and India's 2019 Act require a detailed Ship Specific Recycling Plan (SSRP) for every vessel that comes for scrapping. As sanctioned vessels often hide their true ownership and structural history through shell companies, they cannot provide the accurate data necessary for a

compliant SSRP, leading to unmanaged environmental and safety risks. “As of now, these rules are not followed strictly by the recyclers and the authorities,” the Alang ship recycling source said, noting that some of these certificates are being obtained after the vessels are beached. “As the Designated National Authority for the HKC, the DG Shipping is legally bound to prevent the entry of ships that circumvent international standards. Allowing an OFAC-listed vessel to beach signals an alleged failure to enforce the HKC, effectively turning the international treaty into a ‘paper tiger’ and risking India’s reputation as a compliant maritime nation,” the industry executive in Greece said. Under the Recycling of Ships Act, 2019, which implements the Hong Kong Convention in India, several specific criminal offenses can trigger a case against a ship recycler or ship owner if a ship is recycled without meeting the mandatory survey and certification requirements. Saibaba Shiprecycling LLP where the ‘Sunflower’ (ex ‘Nolan’) is beached for scrapping face the risk of its HKC certification being revoked for non-compliance with the standards set by ClassNK, the classification society that certified it for green ship recycling. Legal experts say that ship recyclers in Alang dealing with OFAC-sanctioned vessels “appears to be purposefully evading their obligations” under the Hong Kong Convention and India’s Recycling of Ships Act, 2019.

Raising serious concerns

“The ‘Nolan’ raises several serious concerns suggesting the Alang scrap companies are knowingly and intentionally violating the Hong Kong Convention and the Recycling Act,” U.S.-based lawyer Douglass A [Mitchell](#) wrote in a January 6 letter to the Director General of Shipping. [Mitchell](#) represents the families and estates of US citizens killed during the terrorist attacks September 11, 2001. His clients hold multi-billion-dollar judgments against the Islamic Republic of Iran, certain of its political subdivisions, and various of its agencies or instrumentalities. His clients also hold judgments against Hizballah for their alleged role in the September 11 terrorist attacks and are engaged in enforcing their judgments, including against ‘Nolan’, in countries throughout the world. Mitchell said his clients have a claim over ‘Nolan’ after a court in Florida issued an arrest warrant on the ship on September 12, 2025, based on a complaint brought against it and five other vessels controlled by the same individual through a network of companies. The ‘Nolan’ has been a sanctioned vessel for more than three years and upon its designation, Panama, its flag state, revoked the ship’s right to fly its flag, rendering it stateless. Beyond issues concerning the Hong Kong Convention and the Recycling of Ships Act of 2019, there are additional, very serious issues arising because the Alang scrap companies are doing business with a vessel that has been sanctioned by OFAC. “Such activity, in and of itself, exposes the two companies to potential sanctions that could have far-reaching consequences,” he wrote in the letter. After losing its flag, the ‘Nolan’ also lost its classification society. Consequently, for approximately three years the ‘Nolan’ has not been monitored or validated for compliance with international shipping obligations. “It has, for those three years, engaged in entirely illegitimate business shipping sanctioned Iranian, Russian, and Venezuelan oil, activity where no one cares whether they are complying with regulations like the Hong Kong Convention and the Recycling Act,” Mitchell explained in the letter. After three years without any credible oversight and after three years of exclusively illegitimate shipping activity, the ‘Nolan’ almost surely lacks the kind of records, logs, or inspections that would be necessary to

comply with its obligations under the Hong Kong Convention. Because the 'Nolan' does not have the documents, logs, and inspections required to comply with either the Hong Kong Convention or the Recycling Act, the Convention imposes those obligations on the Alang scrap companies. The Hong Kong Convention, and the Recycling Act, prohibit scrapping the 'Nolan' until the Alang scrap companies satisfy all obligations. "There is no evidence the Alang scrap companies have satisfied their obligations under either the Hong Kong Convention or the Recycling Act. We have seen no indication that those companies have prepared and submitted to the Directorate General of Shipping a proper and thorough Inventory of Hazardous Materials for the 'Nolan'. We have seen no indication that the DGS has reviewed that inventory, approved it, and issued an International Certificate on Inventory of Hazardous Materials. There is no indication the Alang scrap companies have prepared and submitted to the DGS a Ship-Specific Recycling Plan. Neither is there any indication that the DGS has issued the required International Ready for Recycling Certificate. And nothing suggests there has been a final survey certifying that the Alang scrap companies have the legal authority to begin scrapping the 'Nolan'. Without the required submissions, approvals, and certifications, the Hong Kong Convention and the Recycling Act prohibit the Alang scrap companies from breaking the 'Nolan'," Mitchell wrote. "In light of these significant concerns, we are asking you to investigate the Alang scrap companies to determine whether they have fully complied with the Hong Kong Convention and the Recycling Act and prohibit the Alang scrap companies from engaging in any work to break the 'Nolan' in violation of the Hong Kong Convention and the Recycling Act," he added in the letter.