



Riding a golden high

Gold has given shine not only to Dubai, but also to all those fortune seekers who made it big in the emirate. Ashok Bastimal Siroya of Siroya Group is one of them. Here he tells **Ritwika Chaudhuri** how he carved a niche for himself in the gold business.

When did you come to Dubai and what brought you here?

I came to Dubai back in 1980. I completed my graduation in 1977 and joined our family diamond business in Mumbai. I worked there for two years. We have traditionally been into the jewellery business for the last 100 years and we have a shop on Mumba Devi Road near the Zaveri Bazaar in Mumbai. I decided to come to Dubai because my elder brothers were already here

and doing business in construction, clothing, steel rolling, etc. Soon after coming to Dubai in 1975-1976, my brothers first started with the construction business. We had construction businesses in Saudi Arabia and Kuwait as well, which we used to control from here.

When I came to Dubai, I was initially taking care of our steel rolling mill, which was the third rolling mill in the UAE. At that time,

our mainstay was the steel rolling mill. Soon after, we diversified into the gold business. Gradually, we expanded into other areas. We also set up Emirates India International Exchange around 1983-1984 with State Bank of India to facilitate transferring money to India. At that time, we had businesses in garments, umbrellas and helicopters under the Shattaf Group of Companies, which was mainly owned by Mohammad Shattaf,

me and my brothers and other partners.

Under the Shattaf Group of Companies, we started producing gold jewellery. Initially, we had a small workshop, which eventually grew into a bigger company with 300 people working. At that time, we used to manufacture one-third of Dubai's total production of gold jewellery.

When did you set up your own company?

It was around 1989-1990. I'd had plans for quite some time to set up my own business and finally separated from the group in 1991. Beginning in 1992, we set up Siroya Jewellery. We started with a brand called Happy Umbrella manufacturing and exporting umbrellas to other countries and Al Basti Garments. By the beginning of 1992, I started my own gold business, absolutely fresh with 100 kilograms of gold valued at that time around AED4 million. Thereafter, in 1995, Kunal Gold Factory was opened in Sharjah. In 1998, another gold factory was opened in Cairo. We also opened our first retail gold shop in the Dubai Gold Souq around that time as well.

We were mandated to manufacture the longest gold chain in the world as part of the Dubai Shopping Festival (DSF) in 1999. We were selected to manufacture that chain because of our skill and expertise and being in the business for such a long time. The chain was 4.38 kilometres long with gold content worth 247 kilograms (236 kilograms without hooks) and was displayed in front of the British Embassy in Dubai. It was later sold through shops, as well as a special kiosk. Around 7000 people bought that chain and each was given a certificate as the proud part-owner of the world's longest gold chain. We also tried to get into the Guinness

World Records, but the chain was not accepted, as it was machine-made and not handmade.

In 1999, the chain was one of the main attractions of that year's DSF. It was those initial years in the DSF and Dubai was not a well-known brand. The DSF was still a new concept, so the Dubai authority was always eager to introduce something new and unique. That year, the chain was contributed as part of brand Dubai, as at that time the main star of the DSF was the Dubai gold market. Hence, lots of promotions used to be centred around the gold market. This was one of the initiatives that helped in building brand Dubai.

How many companies do you have now and what is your total turnover today?

The genesis of the Siroya Group lies in the inception of Siroya Jewellery. After that, the business has grown into various diversified companies. Earlier, we had three retail outlets, but we have consolidated all into one in the Meena Bazaar.

The Siroya family business today owns Siroya Jewellers, Belgium Diamond Jewellery (Dubai), Kunal Gold Industrial Factory (Sharjah), Kunal Gold (Dubai) and Egypt Gold Factory in Cairo. Both Kunal Gold and the Cairo factory manufacture everything locally, while Siroya Jewellers manufactures 50 per cent locally and imports the rest.

While we import gold from India and some other parts of the world, about 80 per cent of our products are exported to different parts of the world. Only 20 per cent of our products are sold locally. In fact, we are the largest importer of gold from India to the UAE and we got awards from the Gems and Jewellery Export Promotion Council of India as the biggest importer for three consecutive years.

Today, our turnover in terms of quantity is 10 tonnes of jewellery,

four to five tonnes in Kunal Gold and another four tonnes from the Cairo factory.

What sort of investment did you make in 1991?

When I separated from the other partners, we had our own finance, as we were already in business for so many years. We also borrowed from the banks. But in 1975-1976, when we first came from India to set up the business, we brought money from India.

Do you have other businesses?

I have various other investments. We have our mine in Zimbabwe in the Sandawana area for producing emerald. We purchased rights from Rio Tinto during 1993 for a

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100-square-kilometre area under the name of Siroya Jewellers. Sandawana is famous for emerald mining and there is only one official mine. We own one of the levels in the 70-kilometre-long tunnel that has different levels.

We are also into construction in Mumbai under the name of Siroya Builders. We have just completed a commercial building in the Sahar airport, constructing a 33-storey tower in Lower Parel. There are many other buildings in Borivelli, Kandivelli in the name of Siroya

Developers. These apart, we are also in the process of making another two to three buildings in Mumbai Central. And we have another project in Bangalore spread across 800 million square feet where two buildings have been already completed.

Since your family has 100 years of experience in the gold business, I suppose starting off on your own wasn't all that difficult.

Yes, that is true. We have had the expertise in the gold and diamond business for so many years. Though I had other diversified interests as well and started in steel rolling, constructions and garments, I finally settled with gold.

Also, our company does not work like other corporate houses. We are a family-owned business and a lot of our decisions are taken after internal discussions with brothers and the rest of the family. I am partners in almost all of the group companies, even those that are owned by my brothers.

What about the other businesses? Are they still on?

The garments business is closed, but Happy Umbrella is still there.

How do you see the gold market?

Gold has seen lots of ups and downs in the past few decades. There was a time when it came down significantly, but mostly it remained high at around US\$800-850. Gold was high during 1980 at US\$850 an ounce, and then after 1982, it remained in the range of US\$300-450. In 2001, things started looking different and gold prices started going up again.

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Do you have plans to expand in five to 10 years in the existing line of business?

There is, of course, a strategy regarding where we want to be in business in the next few years, but it is not the typical way of working in the corporate world. In a family-run business, it is person-oriented and personal money and decision-making is much faster.

We have a number of plans for our gold business, but I suppose it is premature to disclose some of these plans. However, to give you a few ideas, we are venturing into the rough diamond business. This means we will import from different parts of the world and make jewellery here. We are also opening a new factory in Cairo, mainly to produce 21-carat gold

jewellery. We might enter into manufacturing 18-carat jewellery also. Earlier, we were interested in expanding into the retail sector, but seeing the market situation where most of the diamond and gold shops in malls have not been able to perform up to the mark, we have decided that wholesale is the best approach.

Apart from gold, we will continue to expand in building projects in India, as Siroya Developers has been into construction for the last 10 years and Siroya Associates has been in the business even longer, for 20 years. As far as branding is concerned, the Siroya name is a complete brand. We are into the manufacture of 21- and 22-carat handmade gold jewellery. It is difficult to build brand names. And we have a company that is the brand.

We are already exporting to a number of countries, but we are open to new ideas, including our own presence in some of these countries.

What are the main principles in your business?

Consistent quality of product, value creation and return on investments are the three areas we stress on. Also, it is like a big family in our company, as we treat our employees well. They have the freedom to work and most of our employees are with us for decades. Right now, we have 120 people in the Kunal factory, 200 in the Cairo factory and another 40 with Siroya Jewellers. We have a very low attrition rate and those that have left the company have done so because of personal reasons.

What, according to you, is the right mixture in a business to be successful?

Expertise and adequate knowledge about the business, the right partner and the right type of business makes the difference. 