

THE DUBAI BUSINESS OF THATTAI BHATIAS

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Four generations of Bhatia (clockwise from top left): Uttamchand, Vijay, Yash and Deepak. Uttamchand is father of Vijay, grandfather of Deepak and great grandfather of Yash.

How the Bhatia business started

A hot and dusty day in Dubai. A scraggly youngster struggled to balance the rolls of cloth on his shoulders as he shuffled into the palace premises. There weren't security men around. After all, this was the 1920s: a time when Dubai was a desert outpost by the creek.

Some palace maids noticed the skinny delivery boy. He was too young to work. Too frail to carry the cloth rolls. He certainly bore the marks of maltreatment. This aroused the curiosity of the maids, who quizzed him. His has been a life of struggle and abuse at the hands of his employer (a relative) since he came to Dubai, aged 11.

The maids informed the Sheikha of the youngster and the cruelty he suffered. Her Highness Sheikha Hessa Bint Al Murr, the wife of Dubai Ruler His Highness Sheikh Saeed Bin Maktoum

Al Maktoum, was a considerate lady. When she heard of the abuse and torture of the boy, the Sheikha decided to do something about it.

Sheikha Hessa summoned the boy. Why don't you do some work on your own? She asked. No money, was the mumbled reply. The Sheikha promised to help the lad set up a business on the condition that he learns Arabic. The Sheikha and her employees in the palace taught him Arabic, and during the sessions at the palace he ran into Sheikh Rashid Bin Saeed Al Maktoum, the son of Sheikh Saeed and Sheikha Hessa. The two were around the same age, and a friendship blossomed. Sheikh Rashid called him Vattra (something special, in Arabic) as they became close friends.

In less than a year, the boy became fluent in Arabic. In a few years, a new textile shop opened for business at the creek in Bur Dubai. People called it the Vattra's Shop. It was only natural since all shops in those days were referred to by the owner's name. The business was good. At 15, Uttamchand Tulsidas Bhatia the orphan from Sindh became Vattra the textile merchant in Dubai. And that was the start of four generations of the Bhatia family business.



The Al Ghubaiba area in Bur Dubai

How trade sprouted in Dubai

Uttamchand was not the first Bhatia businessman in Dubai. Nor was his employer Lalchand Dhosani, the son-in-law of Uttamchand's aunt in Sindh, Pakistan. At least two generations of Bhatias had conducted trade in the 1800s in the region.

At the turn of the century, Lingah on the Straits of Hormuz was a favourite port of call for the Indian traders. Business flourished as large boats ferried textiles, grains and spices from India. But anger and frustration seeped into the business community when the Lingah ruler imposed taxes. The traders were staring at an uncertain future.

That was when Dubai Ruler His Highness Sheikh Maktoum Bin Hasher Al Maktoum invited the Indians to relocate to Dubai. The Indian businessmen responded to the overture in 1894, and soon the first shoots of trade sprouted in Dubai.

Nagar Thatta, a small port near Karachi, used to be popular with the Arab merchants who came to sell dates and pearls in exchange for foodstuff and clothes. The Arabs invited the Bhatias to do business in the Gulf. And the Thattai Bhatias sailed from Sindh to set up trading establishments in the region.

Sharjah was a business hub. From there, camel caravans travelled to Abu Dhabi, allowing traders to sell their wares: mainly textiles and foodstuff like rice, wheat, pulses, jaggery and spices, which used to be freighted in from Nagar Thatta in cargo vessels called launches.

During the 12-hour desert trips from Sharjah to Abu Dhabi on camels, Dubai used to be a transit point for merchants. Dabai, as it was known earlier, was the place where they rested, relaxed and resumed their journey. During a stopover in the 1920s, Sheikh Saeed called on the traders and asked them to set up their operations in Dubai. The Bur Dubai Creek was soon bustling with vendors and buyers.

Business thrived with traders from Iran and Iraq jostling for space. The Bhatias were there too. Uttamchand's employer was one of them. Besides textiles and foodstuffs, cattle and even drinking water were imported. "The deals at the souq were confirmed by the Ruler using a ring seal," said Deepak Bhatia, who referred to the accounts maintained by his grandfather Uttamchand.

Gold too was in demand. Merchants from the Junagadh district of Gujarat were the leading traders, and Chottu Bhai Soni was the biggest of them all. There were so many Indian businesses by the creek, and hence the place was called Souq Al Baniyan. It is now named Souq Al Kabir, but popularly known as Old Souq.



A well-digging in progress in Dubai.

FACT BOX ON WATER

Water was in scarce supply. There were wells, but the brackish well water would last only a month. So multiple wells were dug to keep a steady supply, and digging each well would cost one rupee in labour charges.

Drinking water had to be imported from Basra, Iraq. Four-gallon containers full of river water would be ferried in launches.

Textile tycoon's pearl trade

Uttamchand focused on selling textiles. Khadi, the handwoven cotton cloth, was the bestseller. Called Kalak Al Gandhi after Mahatma Gandhi (father of India, who popularised it), khadi was the cloth of choice of the wealthy. A cheaper material called madhar paat was preferred by the less affluent. All the textiles either came from Karachi or Bombay (present-day Mumbai).

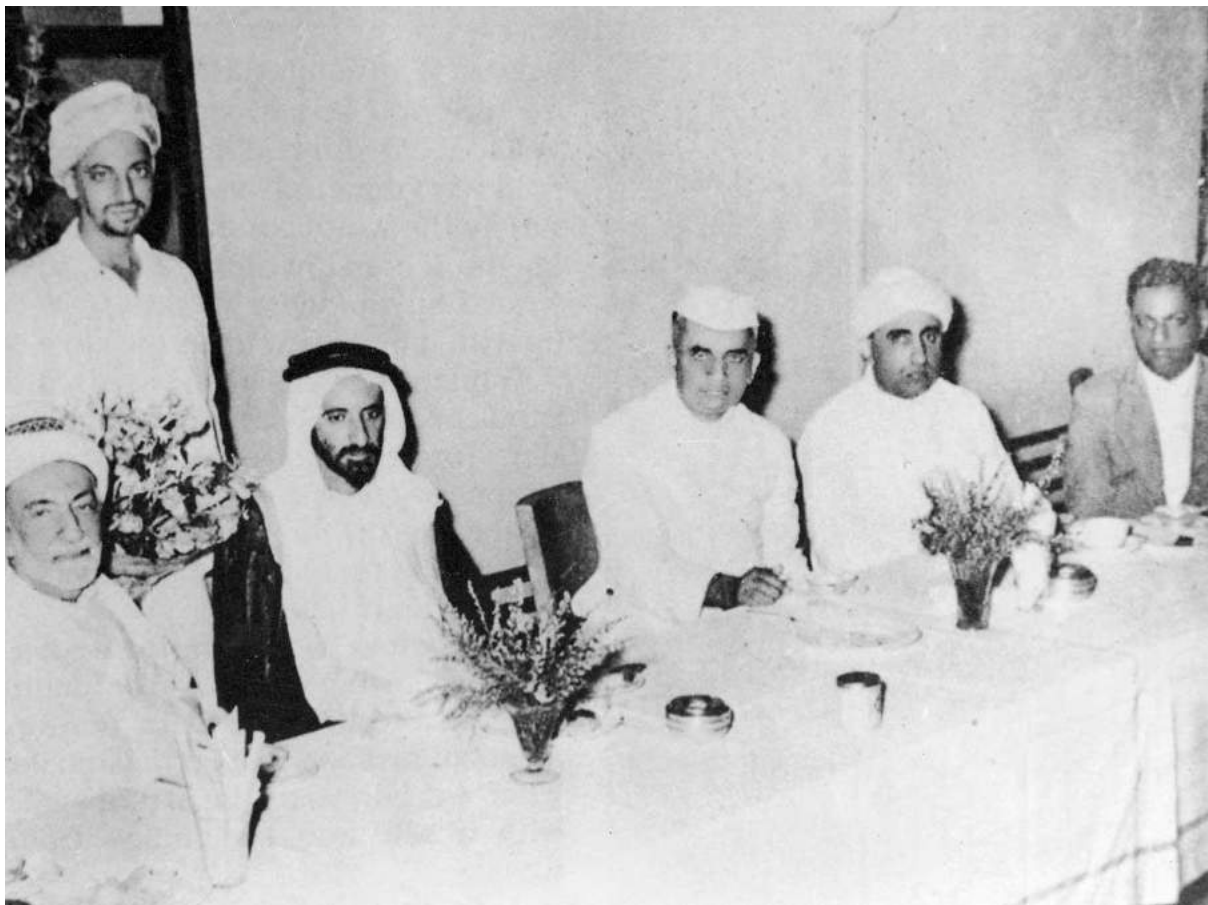
The textile business was booming, but the pearl trade was gathering steam. Uttamchand smelled a business opportunity. In the early 1930s, he rented boats and sent divers (called nakudas) to the Basra coast in Iraq to dive for pearls. Later the Bahrain coast became a favourite with the pearl divers.

That turned out to be a smart move. He soon became the wealthiest Indian merchant in Dubai and was nicknamed Baniyan Lulu. Pearl traders often sought financial assistance and loans from Uttamchand. "Pearls raked in money, but textile business continued to be the mainstay for my grandfather," Deepak said.

"Uttamchand was the doyen of Indian businessmen," said Mirza Al Sayegh, director of the office of Sheikh Hamdan Bin Rashid Al Maktoum, Deputy Ruler of Dubai and Minister of Finance, recalling the contributions of the Indian community in Dubai. "We didn't regard Indians as foreigners. The relationships were like friends and neighbours. I remember those days with the fondest of memories and remember Vattra as a man who forged a strong bridge between the locals and Indian community in Dubai during this wonderful era," he told Gulf News in an exclusive interview.

Sheikh Rashid remained Uttamchand's friend and patron. Uttamchand was Vattra to Sheikh Rashid, Uttra to Iranian traders and Uttara bha to Indian merchants.

"Those days, the shops were on the ground floor, while the traders lived in houses on the first floor, called gurfas. Many of the shops by the creek faced each other and were barely four feet apart," Deepak said, recalling the narrations from his grandfather.



Sheikh Rashid (seated second left) and Uttamchand (right) at a reception hosted at Taj Palace Hotel in Bombay. Year ??

SHEIKH RASHID: BUILDER OF MODERN DUBAI

Sheikh Rashid Bin Saeed Al Maktoum is known as the builder of modern Dubai. Indian businessman Uttamchand Bhatia, who was his friend and confidante, was fortunate to witness the Dubai Ruler's vision and leadership at close quarters.

"Sheikh Rashid was a man of extraordinary business acumen, but at heart he was a simple man of simple habits," Uttamchand had told a publication.

Grains were re-exported to Bahrain and Oman. The foundation of Dubai re-export business was laid in the 1960s, according to the report which cited Sheikh Rashid's swift move to clear the silt from the Bur Dubai Creek so that dhows could sail in.

This was attested by Mirza Al Sayegh, director of the office of Sheikh Hamdan Bin Rashid Al Maktoum. "Sheikh Rashid in 1961 dredged the creek so that bigger vessels could come in. Three years later, when there was a need for bigger port, the work Port Rashid began," he added.

Port Rashid was inaugurated in 1972, and remained Dubai's commercial port until 2018 when cargo operations were moved to Jebel Ali port. The deep sea Jebel Ali port was inaugurated in 1979 by Queen Elizabeth.

New business avenues

By the 1930s, the pearl trade began to lose its lustre. The demand for natural pearls dwindled with the arrival of cheaper cultured pearls from Japan. The Second World War hastened the death of the pearl trade.

In a world wracked by conflict, new business opportunities arose. Uttamchand realised that there was a considerable demand for foodstuff. The textile merchant and pearl trader soon branched into the retail food business after Sheikh Saeed gave him special permission to open a provision store that sold goods at controlled prices. Supplies to the store at the abra station came from Karachi and Bombay.

Uttamchand dabbled in gold trade too, rather infrequently. Divers and traders continued to sell him pearls of exceptional quality. He never sold them. Those went into his collection, became part of the family heirloom.





SLIDER PHOTOS OF PEARL TRADE

1. Pearl balance
2. Weights (marble stones)
3. Cloth to cover pearl
4. Original oyster with a pearl inside

BOX ON PEARL DIVING

Pearl diving was mainly off the coast of Basra, Iraq. That was until they found pearls oysters near the Bahrain coast.

The diving season ran from May 15 to September 15 each year. Only 300 locally-made boats were available in Dubai, Sharjah and Bahrain. They could be hired for 1,000 to 2,000 rupees for each boat. Groups of 20 nakhudas (divers) travelled on these boats with three and a half months' rations (rice, water, etc.) to Basra or Bahrain.

Diving was tough. With wooden nose-clips and stone weights, they plunged deep to the seabed to bring back oysters. Not all of them contained pearls, yet there were enough pearls to run a lucrative trade.

Some pearl merchants borrowed money and rented the boats to send the divers to fetch pearl-laden oysters from the seabed. After deals were done with the pearl buyers (tawas), traders gave 10 per cent of the profit to the financier besides the loan amount. The government received a share (equivalent to a diver's take).

PECULIAR PEARL DEALS

Secrecy was the key to pearl business, so traders struck deals in a strange manner. The buyer and vendor tucked their hands under a cloth and felt each other's fingers to decide on the price. This allowed the transactions to remain secret, and even if the deal fails to materialise they could walk away without divulging the price. Peculiar it may be, but it worked for the traders.

New beginnings after World War

After the Second World War, Uttamchand returned his focus to textiles. The war had an impact on people and their purchasing power. So the business was slow. Demand for cloth perked up over time as people preferred to buy from Vattra's Shop.

China silk soon became popular. It was sold at between 2.50 to 4 rupees a roll. Japanese textiles and synthetic cloth too were introduced into the stock. Sales soared, Uttamchand was smiling again. But he yearned to return to India.



A business blip in India

Long years away from India kindled a longing in Uttamchand. A longing to spend time in India. But the India he knew had changed: the Partition has divided the country into India

and Pakistan. Many of the Thattai Bhatia families had moved to India from Sindh. Uttamchand wanted to go to India to explore the prospects of starting a business.

In the early 1950s, he drew up a plan that allowed him to stay in Bombay for long periods. Three of his assistants were entrusted with running his shop, as he remained in India for some time, making shorts trips to Dubai to check on his business.

Uttamchand's India sojourn turned sour. His business activities ran aground. His cousin Issardas Bhatia started a building construction business in Bombay with Uttamchand as his partner. Issardas later became the first construction mogul in Bombay as he revolutionised the sector by introducing the right to own apartments. But in the early days, the business suffered massive losses. A rare setback for Uttamchand. He called it quits.

Emotionally too, Uttamchand seemed to have suffered. "I felt an alien in what they told was my country," he's reported to have said.

Undeterred, Uttamchand returned to the familiar terrain of Dubai and spruced up Vattra's Shop. His presence reinvigorated the business, and the shop was buzzing again.

The discovery of oil in 1966 catapulted Dubai from a sleepy village into a throbbing town. More people started coming to the emirate, and the demand for goods soared. Other trader communities too arrived from India and other places to set up shops. The business was good. Uttamchand loved it. Far away from his homeland, he felt happy and welcome in a country, which afforded him opportunities to grow. He remained grateful for that.

Uncle's Shop is born

After the Dubai Municipality was established in 1954, new laws were drawn up to streamline the growing business operations in the emirate. Shops didn't have names; they used to be referred to by the owner's name. But the new laws in the early sixties insisted on names and trading licences for shops. So Vattra's Shop became Uncle's Shop.

How did it get the name? Sheikh Rashid used to be a frequent visitor to the Uttamchand house. Uttamchand's children used to call Sheikh Rashid "Uncle". As a symbol of his friendship and loyalty to Sheikh Rashid, Uttamchand named his shop Uncle's Shop.

Uttamchand's son Vijay continued to do business from the premises although he had diversified his portfolio.

Sons and businesses

Uttamchand's first-born Paramanand built a career away from textile business. A commerce graduate, he joined the Eastern Bank in Buraimi, Al Ain, in 1963. His successful banking career was cut short seven years later when health issues forced him to return to India.

Unlike Paramanand, his brothers Vijay and Ashok joined the family business soon after their marriages in 1969 [The weddings were on the same day in Bombay]. The two had a stint with Pauling & Co, a major British civil engineering contractor, in Abu Dhabi in the early sixties. That helped them learn about road work and construction.

"Grandfather didn't want his sons to join his business straightaway. He sent my father and uncle to work in Abu Dhabi. It was a kind of training to prepare them to take care of the family business in the future. Living together away from the family also helped them become independent and responsible," Deepak said of Uttamchand's decision.

A new country and new opportunities

December 2, 1971. The United Arab Emirates was formed. Abu Dhabi Ruler Sheikh Zayed Bin Sultan Al Nahyan became the president and Sheikh Rashid the vice-president. "[Besides Abu Dhabi and Dubai], seven other emirates too were called for the talks to unify the country. The rulers met repeatedly, but finally Bahrain and Qatar withdrew. The UAE was formed with seven emirates," Al Sayegh said, recalling the birth pangs of the federation.

Uttamchand continued to look out for business opportunities. He saw the potential in the real estate sector, and he's had experience earlier when Sheikh Saeed allowed him to buy property. So when Sheikh Rashid permitted him to invest in property in Dubai, Uttamchand diverted his energy to it. This was long before the days of freehold property. Uttamchand was overjoyed at the Ruler's decision. "I'm not an expatriate, I'm an immigrant," he's reported to have said.

He no longer entertained any thoughts of expanding his business to India. Uncle's Shop in Dubai continued to flourish. Textiles were always in demand in a new nation that began to attract visitors. But Vijay and Ashok diversified the family business: Ashok moved into retail petrol sales through Caltex pumps, while Vijay made forays into the construction and film distribution business.

How the Iran-Iraq war killed the textile business

The eight-year war between Iran and Iraq from 1980 has had a drastic effect on trade in the Middle East. The business in Dubai suffered too. For, Iranians and Iraqis were among the prominent businessmen. Moreover, Basra in Iraq and Bushehr in Iran, two of the main trading posts in the region, could not send consignments to the UAE.

The hostilities made the waters of the Arabian Gulf unsafe for shipping. Fewer cargo vessels arrived at the Dubai port. Imports were severely reduced. Textiles suffered the most. The Bhatias were fortunate. By then, they had diversified their business. But the family was rocked by a tragedy.



Cheques used in Year ??

Body blow to the Thattai Bhatias

May 16, 1986: Uttamchand paid a visit to Sheikh Rashid ahead of a trip to India. A reluctant parting followed a long meeting. Uttamchand was to fly the next day, but a pilot suffered a heart attack, and the night flight was delayed by four hours.

He reached Bombay in the early hours of May 18. Barely did he clear the immigration at the airport, Uttamchand collapsed. The founder of the Thattai Bhatia family business in Dubai suffered a fatal heart attack.

Uttamchand was cremated in India. That was his desire.



Pic of vijay

Life after Vatra: Business beyond fabrics

Four years after Vatra's death, Sheikh Rashid too passed away. But the Dubai ruling family's ties with the Bhatias remained strong. Vijay Bhatia steered the Uncle's Shop, and he believed that the Bhatia business future lies beyond the fabrics. Under his stewardship, the Bhatias explored newer avenues.

There was a paradigm shift in the Bhatia business strategy.

Besides textiles and readymade garments, Vijay had business interests in construction and film distribution. His son Deepak joined the family venture after a stint at an aviation company. He too wasn't enthused by textiles, so he worked to add steel and timber to the trade profile.

It wasn't easy. The moorings in textiles business were strong, but steel and timber were new frontiers. Deepak spent a great deal of time learning the tricks of the new trade. In 1996, he struck pay dirt, clinching his first deal: an agreement to import and distribute plywood from Indonesia. That buoyed his confidence and two years later, Deepak entered the steel business.

The building material business prospered as Dubai grew into a major city. The demand for construction materials kept rising. By the turn of the 21st century, Deepak was selling around 600 products, all catering to the construction sector. Cement boards were a big seller and a major driver of Deepak's trade.

Dubai was growing at a rapid pace. Deepak was quick to notice it. He was amazed by the speed of Dubai's development under its Ruler His Highness Sheikh Maktoum Bin Rashid Al Maktoum and Crown Prince His Highness Sheikh Mohammed Bin Rashid Al Maktoum. There was construction activity everywhere: residential towers sprouted in new areas, freehold property took off in a big way, roadworks seemed endless, and infrastructure expanded at a breathtaking pace around the emirate.

Deepak tapped into major government projects to fast-track the growth of the Bhatia business. The Dolphinarium, which was completed in 2001, was Deepak's first major project. After that, there was no looking back. Dubai's ruling family lends support as Deepak helms the Bhatias' drive towards infrastructure projects.

The projects and products won the seal of approval from the Dubai authorities. Significant among them was Dubai Civil Defence's approval for fireproof boards in 2019. The same year Deepak's company introduced electric roofs that integrated solar panels into cement boards. "We were the first in the world to do it," he said.

More projects followed. The Dubai airport expansion, the Dubai Metro, the Dubai Mall expansion, Dubai Parks and Resorts: Deepak Bhatia supplied materials to all of them. Many more are underway, like the renovation of the QE II and the entrance plaza and other major projects at the Dubai Expo.

The patronage of Al Maktoums

Deepak credits the Dubai ruling family for the Bhatia success. "Even after grandfather's death, the relations remained strong. We could not have done without the patronage and the privileges bestowed by the royal family. It has helped in our business and gave us bigger than expected benefits. For that, I remain grateful," Deepak said.

Uncle's Shop still exists, but not by the Dubai Creek. It now sits in a swanky premises near Rashidiya. The Thattai Bhatias run their business from there. But it no longer sells textiles. Building materials are the new textiles.



Handing over the baton: Deepak and his son Yash

A fourth generation Bhatia in Dubai

2020 was the year of the coronavirus. A year when economies around the world were battered. Vaccines have given us hope in 2021, and the Bhatias took the opportunity to unveil their scion. Yash, a fourth-generation Bhatia, joined the family business. Following the family tradition, he too opted to gain experience elsewhere. An internship in an international bank was followed by some exposure to the automobile business. Now, Yash Bhatia says he's ready. He has joined his father to be the torchbearer of the Bhatia business.

How does a young man with a passion for cars and cooking fit into the construction business? Yash is under no illusions. He says it will take a while to learn the trade before playing an essential role in advancing the family business.

Yash is aware of his great grandfather's reputation and his significant role in developing business in Dubai. "It's an emotional moment for me. A proud one too. I've heard about his [Uttamchand's] honesty and how he maintained relations. I'm very keen to continue the family legacy," Yash said.

Textiles, pearls, foodstuff, real estate, readymade garments, petrol retail, film distribution and construction materials, the Bhatia's have been involved in a gamut of businesses. Diversification helped. What would Yash add to the family portfolio? "I would like to get into the hospitality industry someday. But I don't want to start a business from scratch without indepth study and have a clear picture," the business management graduate said.

These are early days for Yash Bhatia. Maybe, in the days to come, Yash will chart a clear course for him and the family business. At 26, he's got time on his side.



Early days of Dubai through Uttamchand Bhatia's eyes

Uttamchand Tuslidas Bhatia witnessed Dubai's rapid growth from a sleepy village to a thriving city. Here are some entries about life in the 1920s and 1930s from his diaries.

Currency

The barter system was in place before the Indian rupee became the currency in Dubai following the First World War. Pearl and camels used to be bartered for business transactions.

Although the India rupee was widely used in Dubai, traders preferred silver coins. When the merchants (javeris) from India brought currency notes, a 100 rupee note would only fetch silver coins worth 95 rupees

Gulf rupee (pronounced rubiya), printed by India, replaced the Indian currency in 1959.

On June 6, 1966, India devalued the Gulf rupee against the Indian rupee. And Dubai adopted what was called the Qatar and Dubai Riyal (QDR) as the legal tender.

Dirham became the UAE currency in 1973.



The early days of Dubai Customs

The origins of Customs in Dubai can be traced to the 1930s. Abdul Karim Bashi, an Iranian, was the first customs officer. He used to tax Indians 2 rupees and 8.75 anas. Out of that 2 rupees would go towards his salary, 8 anas as labour charges and 3 paise was paid to the officials/government. The customs duty on textile rolls used to be Rs 2.75 per carton.

Thani Bin Abdulla became the first director of Dubai Customs.

Food imports and prices

Onion and garlic were imported from Kutch in India. The boats arrived in Dubai in 15 days.

Wheat was imported from Bushehr, a city in Iran

Donkeys from Iran would cost 30 – 100 rupees

Cows from Iran: 12-14 rupees.

Goats from Iran: 1.8 rupees

Rice per bag: 6.50 rupees

Chinese silks: 2.50 to 4 rupees per roll (taka)



Living expenses

House Rent: 300 rupees per year

Meals for a month: 5 rupees



Electricity & lighting

Oil lamps and kerosene lamps (fanoos) brought light at night. Later the bright lights of petromax became popular.

Electricity first came to Dubai Ruler His Highness Sheikh Saeed Bin Maktoum Al Maktoum's palace, where a dynamo was used to generate power in 1950.

Ornaments

Silver jewellery was imported from Italy. Gold ornaments came from India, and old jewellery was melted and sent back to India.



Trade in Deira

In the early days, traders in Bur Dubai were not allowed to trade in Deira, and attempts to sell goods there used to attract a fine of 50 rupees. Only two Iranians were licensed to sell their wares in Deira.

