

A swift rise from rags to riches

South Asian establishment makes its mark

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"There has arisen a new ruling commercial class, the new maharajahs ... constructing, as their prosperity spreads, a new society."

- From *The New Maharajahs* by Claudia Cragg.

Steve Gupta likes to tell the story of how he came to Canada with only \$108 in his pocket.

And now look at him. There is the custom-tailored suit, the gold Rolex, the silver Mercedes sedan. Not to mention the opulent 16,500-square-foot monster home with the indoor pool in Toronto's exclusive Bridle Path neighbourhood.

Gupta has done well for himself and his family in his new homeland. But it's not just the trappings of wealth that have made him a powerful figure in Toronto's South Asian community.

On this particular Saturday night, he is being honoured at a glitzy dinner at the Metro Convention Centre in downtown Toronto.

At one table, Mississauga Mayor Hazel McCallion is feasting on coconut-tomato soup and mango salad. At the head table, Premier Mike Harris is having his picture taken with members of Gupta's family.

The corporate tables are full. The scent of money has attracted bankers from Canada's largest chartered banks and financial institutions.

They are all here, along with 1,200 others, to see Gupta crowned entrepreneur of the year at the annual Indo-Canada Chamber of Commerce award dinner, the South Asian community's most prestigious social event.

In a way, the scene is not altogether unusual. The movers and shakers of Canadian society typically appear at the city's toniest schmoozefests, such as the Brazilian or Red Rose balls. But for the South Asian community, this is a watershed moment: recognition not only by corporate Canada but by the mainstream political establishment. The community has arrived and Steve Gupta is the most visible proof.

"It doesn't get much better than this," says the personable Gupta, whose first home in Canada was a \$10-a-week rooming house on Bathurst St.

Gupta, a hotelier and real estate mogul, is the personification of the emergence of a new South Asian establishment in Canada, a community built on immigration mostly from India, Pakistan, Bangladesh, Sri Lanka and Nepal.

"Most of these people came with nothing but ideas and a brain, and they built their wealth from scratch," says Rakesh Goenka, past president of the Indo-Canada Chamber of Commerce. "Now they're seeing the fruits of their labour."

Although the community has been a significant part of the Canadian mosaic for decades, the rise in profile over the last few years has been particularly swift.



DICK LOEK/TORONTO STAR

TALENT: Steve and Rashmi Gupta gather with their children, left to right, Reetu 18, Suraj, 11, Reema 22, and Shelley 15.



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Even five years ago, there were half as many people at the awards banquet. No premier attended and there was no videotaped message from the prime minister.

"The community has come a long way," Goenka says.

The latest figures available from Statistics Canada show that in 1996 there were about 550,000 people of South Asian descent in the Metropolitan Toronto census area. The vast majority were East Indians at 256,000, followed by Sri Lankans at 36,000 and Tamils at 25,000.

The numbers are hard to pinpoint since there is also a smattering of South Asians from Africa and the West Indies. It is an infinitely diverse community, with perhaps only a dozen in the Greater Toronto Area with the multi-millionaire clout of a Steve Gupta. Certainly, few are as connected politically.

"Basically, the members made their money in three different categories - real estate, the hotel business and technology," Goenka says.

And unlike, say, the recent influx of Chinese Canadians from Hong Kong, a portion of whom arrived with money made from holdings abroad, the South Asian community made its wealth largely in Canada, he says.

"Their money, by and large, was made here over the last two decades."

The new Canadian Maharajahs include:

- Aditya Jha, one of the founders of technology company Isopia Inc., recently sold to Sun Microsystems Inc.;
- Vinod Patel, chief executive officer of the Northhampton Group Inc., which has an interest in 13 hotels in southern Ontario and Quebec;
- Rai Sahi, head of Acktion Corp. a major Canadian real estate and property management company with extensive retail, office, industrial and residential holdings and;
- Andy Jasuja, president of Sigma Systems Group, established in Toronto in 1990 and now a leading global provider of telecommunications and cable operations support solutions.

Meanwhile, there are many more South Asians involved in manufacturing, textiles and in the import/export business, says Sirni Iyengar, the Bank of Montreal's director of Asian markets.

"You could be standing beside someone who looks perfectly ordinary and they will be a multi-millionaire - it's a very low-key community. They don't necessarily flaunt their wealth."

Perhaps the best people to ask about the fortunes of any emerging community are the folks who sell homes.

Realtor Mike Donia first started to notice homes on the Bridle Path and on Mississauga Rd. selling to Canadian South Asian families about four years ago.

"It was maybe one or two homes," he says. "But then it seemed as though every other family looking for grand homes was South Asian."

In October, one of his South Asian clients, Resham Bhangal, broke a record for a sale in Brampton, paying \$2,650,000 for a 15,671-square-foot home.

The trend is not new: Developer Robert Campeau's landmark Bridle Path home, for example, was purchased for \$6.17 million several years ago by a South Asian family.

"They're looking for square footage and they pay cash. The bigger the better," Donia says.

Aditya Jha, one of Canada's newest millionaires, isn't looking for a home just yet. His wife won't let him.

Jha, one of several executives who had an interest in Internet learning company Isopia Inc., made headlines this summer when he sold his company to Sun Microsystems Inc. The price was undisclosed but insiders say the sale price was well over \$100 million.

And what did the affable Jha do with the money?



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"I bought a pair of roller blades," says Jha, beaming over lunch at a posh tennis club by Toronto's lakeshore. "I've always wanted a pair of roller blades."

Jha recently joined the club to take up tennis, because after working a typical 15-hour day at Isopia, he would sleep in his office and never see daylight.

"Now I'm a regular at Sport Chek," he says with a laugh of his recent sporting-goods binge. In addition to roller blades, Jha has picked up a \$1,000 bicycle and an expensive tennis racquet.

So far, his one big splurge is a new Lexus LS 430 (a Porsche might have been a little too ostentatious, he says), which lists at \$84,000 plus taxes. But that's it.

"My wife is adamant that we don't buy a new house," Jha says. "She's worried that money will change us."

Before starting with Isopia three years ago, Jha was the general manager of e-business at Bell Canada, where he met the other four founders of Isopia.

The company quickly grew to become the world's leading supplier of learning-management software that allows clients to enrol, track and evaluate students over the Internet. That's when it attracted the attention of Sun Microsystems, which made the partners an offer they couldn't refuse at a Denver, Colo., meeting this year.

Born in Nepal and educated in India, Jha has a Masters degree in computer science. Before arriving in Canada, he worked in Singapore, Malaysia and other parts of Southeast Asia, and credits the diversity of his background for helping him in his newly adopted land.

"We all had different backgrounds at Isopia but we felt that was actually an advantage - we all had to pool together and use what we had," he says.

And being from India, which is respected internationally for having universities that churn out some of the top technology graduates worldwide, certainly didn't hurt.

"Saying you're from India and you're in technology, you have instant credibility," he says, tucking into a fruit salad in front of a dock filled with boats.

While Jha and Gupta are busy forming a new establishment, the up and coming second generation of South Asians may be best represented by folks such as 34-year-old Mick Dhillon.

Born in Vancouver, Dhillon runs his family's successful Mississauga-based business, Home Decor Inc., which sells rugs and kitchen and bathroom accessories to national retail chains in Canada and the United States. Last year, the company did \$28 million in sales, he says.

For his family's success, Dhillon credits his South Asian background.

"I think there is certainly a willingness to do the hard labour, that you don't mind working the 60-hour weeks, and rolling up the sleeves and making it happen," says Dhillon. "And I think that translates into the second and third generations as well."

Now Dhillon, along with his wife, Cindy, a doctor, enjoy the fruits of their labour in a posh, 8,000-square-foot home with a tennis court and a swimming pool.

"Obviously we've reaped the benefits sown by the first wave, such as my parents, so we've been extremely fortunate," says Dhillon.

Times were especially difficult for South Asians who first migrated here, because countries such as India during the 1970s had extremely restrictive foreign-currency regulations, says Iyengar of the Bank of Montreal.

"When you arrived here from India, you were only allowed to bring three pounds sterling, about \$8 at the time if you travelled abroad," he says.

That was pretty much the case with Steve Gupta.

He arrived in May, 1971, at the age of 25 with \$108. He had been allowed to take out the additional \$100 because of a brief lifting of the currency sanctions in India, he says.

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For his first six months in Toronto, Gupta worked as a factory machine operator. He then worked as an insurance agent at North American Life, and within a year was the top producer in his branch.

"I knocked on a lot of doors," he says proudly.

In 1979, Gupta got into the real estate business, taking a gamble on a single gas station.

That property on Ontario's Highway 401 would turn into a major hub, which would house the first Swiss Chalet and Harvey's restaurants located on any major Canadian highway.

Persuading the franchiser wasn't easy.

"They said you must be crazy," Gupta recalls. "This is not the kind of food you see on the highway."

But he persisted and got his wish. Using the money from his service stations, Gupta ventured into real estate, acquiring in 1987, with other partners, 5,627 Cadillac Fairview apartment suites for \$210 million. He never looked back.

Today his privately held Easton's Group of Companies includes several Comfort Inn and Comfort Suite hotels in downtown Toronto and southern Ontario, and a string of fast-food restaurants and residential apartment buildings. He recently built a Comfort Suites hotel on Jarvis St., the site of a former vacant government building. It is perhaps the most over-built Comfort Suites in Canada, with marble and limestone cladding that says more Buckingham Palace than budget hotel. And it's built beside a strip club.

"I think people book (a room) thinking it's going to be (down market) and then they go in and say, 'Wow - this is beautiful,'" Gupta says. "That's what I want to hear."

Next year he has several hotel openings planned, including a Crowne Plaza hotel near Toronto's Pearson International Airport and two new hotels in Markham and Vaughan.

Gupta's own custom-designed home, on a choice two-acre lot on the Bridle Path, is a fantasy of wrought iron, gold gilt and baroque furnishings. It is fit for a modern day maharajah.