

## CDPQ and Edelweiss enter into long-term partnership agreement

### CDPQ targets investments of Rs. 5000 crores over four years in stressed assets and specialized corporate credit in India

#### Highlights

- CDPQ targets annual investments of Rs. 1250 crores in stressed assets and specialized corporate credit, totaling around Rs. 5000 crores over a four-year period. This will make it the single largest investment by an institutional investor in this sector.
  - CDPQ will also be acquiring a 20% equity stake in Edelweiss Asset Reconstruction Company (EARC)
  - With around Rs. 30,000 crores in assets under management, EARC is India's leading specialist in revival and resolution of stressed assets
  - EARC has recently set up a consulting team providing value-adds and operational improvements to industrial businesses to enhance their productivity and contribution to the Indian economy
  - The partnership aims to channel between Rs. 12,000-14,000 crores (including CDPQ's Rs. 5000 crores and investments from Edelweiss Group and other international institutional investors) into private debt and restructuring of stressed assets in the country
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**Montreal and Mumbai, October 3, 2016** – Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers, today announced a long-term partnership agreement with Edelweiss Group, a leading diversified financial services company in India. The agreement includes target investments by CDPQ of Rs. 5000 crores over four years that will provide Edelweiss Group with capital to invest in stressed assets and private debt opportunities in India.

The partnership creates one of the largest and most diversified credit investing platforms in India. With over five decades of experience in managing public funds, CDPQ joins hands with Edelweiss Group, which has significant experience and expertise in specialized corporate credit and is a leader in stressed asset investment.

This platform will invest in assets with the aim of restructuring debt and turning around companies, as well as becoming the provider of financing to Indian entrepreneurs and companies. These investments, to be carried out by Edelweiss ARC and through different Edelweiss funds, will result in the purchase of non-performing loans from Indian banks and investments in private debt of growing Indian companies. To this end, Edelweiss recently established a consulting team to add value and make operational improvements in promising industrial businesses with a focus on Remake in India.

*"Edelweiss is not your typical financial institution. It has a strong entrepreneurial culture and is driven by the ambition to give smaller and younger Indian companies access to financing and improve their productivity. By becoming a partner of Edelweiss, CDPQ is looking to support its growth for many years to come and, ultimately, participate in the emergence of new innovative and successful businesses in India,"* said **Michael Sabia, President and Chief Executive Officer at CDPQ.**

He added, *“We believe India stands out as an exceptional country to invest in, given the scope and quality of investment opportunity, and the current government’s intention to pursue essential economic reforms.”*

**Rashesh Shah, Chairman & CEO, Edelweiss Group said,** *“Recent reforms, like the Bankruptcy Act have the potential to transform the pace of reconstruction and resolution in India’s stressed and distressed market thus creating a much larger opportunity. We are pleased to partner with CDPQ, one of the largest and most respected pension fund management companies in the world, to help finance, restructure and grow financially viable businesses in India.”*

CDPQ aims to further its long-term commitment and actively participate in the growth of this sector as a shareholder of EARC. It will sit on EARC’s board of directors and on the Edelweiss Group investment committee overseeing private debt and stressed assets investments.

In addition to CDPQ’s proposed 20% stake, the other shareholders in EARC will be a Scandinavian insurance company with a 4% stake, 16% will be held by Indian investors and the balance by the Edelweiss Group. The acquisition and shareholding as mentioned above are subject to standard closing conditions, completion of legal documentation and approval by regulatory authorities.

CDPQ opened CDPQ India, its New Delhi-based office, in March 2016. Anita Marangoly George was appointed to the position of Managing Director, South Asia, with the mandate of identifying the best investment opportunities in the South Asian markets.

#### **ABOUT CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC**

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2016, it held \$254.9 billion in net assets. As one of Canada’s leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate. CDPQ is present in India through its subsidiary CDPQ India, located in New Delhi. For more information, visit [cdpq.com](http://cdpq.com), follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

#### **ABOUT EDELWEISS GROUP**

The Edelweiss Group is one of India’s leading diversified financial services company providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss’s products and services span multiple asset classes and consumer segments across domestic and global geographies. Its businesses are broadly divided into **Credit Business** (Structured Collateralised Credit, Wholesale Mortgage, Distressed Assets Credit, Housing Finance, SME Finance, Agri Finance, Rural Finance), **Non-Credit Business** (Capital Markets, Wealth Management, Asset Management and Agri Services) and **Life Insurance**. As at June 2016, Edelweiss held INR 33,000 crore in net assets. Its consistent performance is evidenced by a PAT (excluding insurance) CAGR of 38% over the last four years. It serves its 960,000 strong client base through 6,361 employees based out of 240 offices (including nine international offices) in 122 cities.

For more information, visit [edelweissfin.com](http://edelweissfin.com), follow us on Twitter @EdelweissFin or consult our Facebook or LinkedIn pages.

#### **For more information:**

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