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COUNTRY DOSSIER

Canada

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Country Dossier - Canada

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While Tim Hortons and McCain Foods might have the most significant brand recall for Canadian businesses in India, Canadian investments go far beyond coffee chains and frozen snacks. Canadian pension funds, asset management companies, financial services, and insurance players are invested in key sectors of India's economy, including financial services, financial technology, infrastructure, real estate, information technology, and energy. According to the National Investment Promotion & Facilitation Agency, or Invest India, Canada is the 18th-largest foreign investor in India, with a cumulative investment of USD 3.31 billion from 2020-21 to 2022-23. Canadian investments accounted for 0.5 % of the total FDI inflows into India. Together, Services and infrastructure accounted for nearly 41% of Canadian FDI into India. On the trade front, bilateral trade in goods stood at USD 8.16 billion in 2022-23, with an almost even split between imports and exports. India's exports to Canada for the year were USD 4.11 billion, while imports stood at USD 4.05 billion. Over 600 Canadian companies are in India, and over 1,000 are actively pursuing business in the Indian market. Despite the diplomatic row between the two countries, Canada counts India as a priority market. According to the Sovereign Wealth Fund Institute (SWFI), a US-based forum for investors, it will not affect the flow of Canadian investments into India.

Sectoral Synergies

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Key Investment activity

- Brookfield has trumped Miami-based infrastructure investment group I Squared Capital to acquire 100% of the India unit of Boston-based American Tower Corp (ATC). Five years after entering the renewable energy sector in India, Canadian investor Brookfield Asset Management is looking to monetise its clean energy assets partially. Among the largest infrastructure investors in the world, it plans to offload assets with a capacity of about 1.6 GW. Toronto-based Brookfield Asset Management owns and operates infrastructure and real estate assets, including 47 million square feet of office properties, solar and wind energy assets, a construction business, telecom infrastructure assets, and real estate management services. It also has a real estate investment trust (REIT) in India.

- The Canada Pension Plan Investment Board (CPPIB) has sizable investments in India across sectors, including infrastructure and financial services. The CPPIB has stakes in six listed Indian stocks worth over Rs 160.93 billion and five unlisted stocks valued at approximately Rs 162 billion as of September end. It holds stakes in Kotak Mahindra Bank, Indus Towers, Paytm, Zomato, Nykaa, and Delhivery. It also owns US-listed shares of Indian majors like Infosys, Wipro, and ICICI Bank. The CPPIB also has business partnerships with Piramal Enterprises, Shapoorji Pallonji Group, and Larsen & Toubro. According to the Invest India website, the CPPIB recently hit USD 14.8 billion in investments in India.

- Caisse de dépôt et placement du Québec (CDPQ) counts India as a strategic market invested around USD 6 billion in India. Over the past, CDPQ has invested in companies like Kotak Mahindra Bank, Edelweiss Group, Piramal Enterprises, TVS Logistics, Azure Power Global, and Apraava Energy. In February 2020, it launched a USD 300-million private credit platform with a third-party asset manager to invest in India.

- Fairfax India Holdings, an arm of Canadian financial holding company Fairfax Financial Holdings, has investments in various Indian companies across sectors like logistics, financial services, shipping, manufacturing, and infrastructure. It is the largest shareholder of the Bangalore International Airport (BIAL), the operator of Bengaluru's Kempegowda International Airport. The company recently acquired an additional 7% share in Bangalore International Airport Ltd from Siemens Project Ventures GmbH, valued at USD175 million.

- Canadian auto parts and mobility technology player Magna International has 13 manufacturing and assembly facilities in India. The IBI Group, which designs high-rise buildings, industrial buildings, schools, hospitals, and other infrastructure projects for integrated cities, is also involved with a few smart city projects in India.

Trilegal's experience with Canadian companies

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- **Trilegal advised the Asian Infrastructure Investment Bank (AIIB)** on investing in Sustainable Energy Infra Trust, a renewable energy infrastructure investment trust (InvIT) backed by OTPP and Mahindra Group.

- **Trilegal advised Milestone Technologies Inc.** on acquiring a 100% stake in Suyati Technologies Private Limited (and its subsidiaries in the US and Canada) in 4 tranches.

- **Trilegal advised Ontario Teachers' Pension Plan Board (OTPP) and Australian superannuation and Pension Fund (Australian Super)** on investment worth USD 2 billion in The National Investment and Infrastructure Fund (NIIF) of India.

- **Trilegal advised Brookfield Asset Management** on acquiring controlling interest in Cleanmax Enviro Energy Solutions for USD 360 Million.

- **Trilegal advised Ashley Madison** on feasibility of launching its online dating site in India.

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