



From family firms to multinationals, trade pacts fuel Europe to India deal flow – Dealspeak APAC

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| Proprietary

by **Manu Rajput**, **Kunal Samnani** and **Darshan Rane**

In the town of Selu, in west-central India, two factories produce industrial nets and ropes that travel the world—holding ships in place and forming the backbone of floating fish farms from Chile to Norway.

Last year, Kohinoor Ropes, the family-owned manufacturer behind them, was acquired by Hampiðjan, a family-run fishing-gear group from Iceland, in a deal that reflects a broader shift in European dealmaking into India.

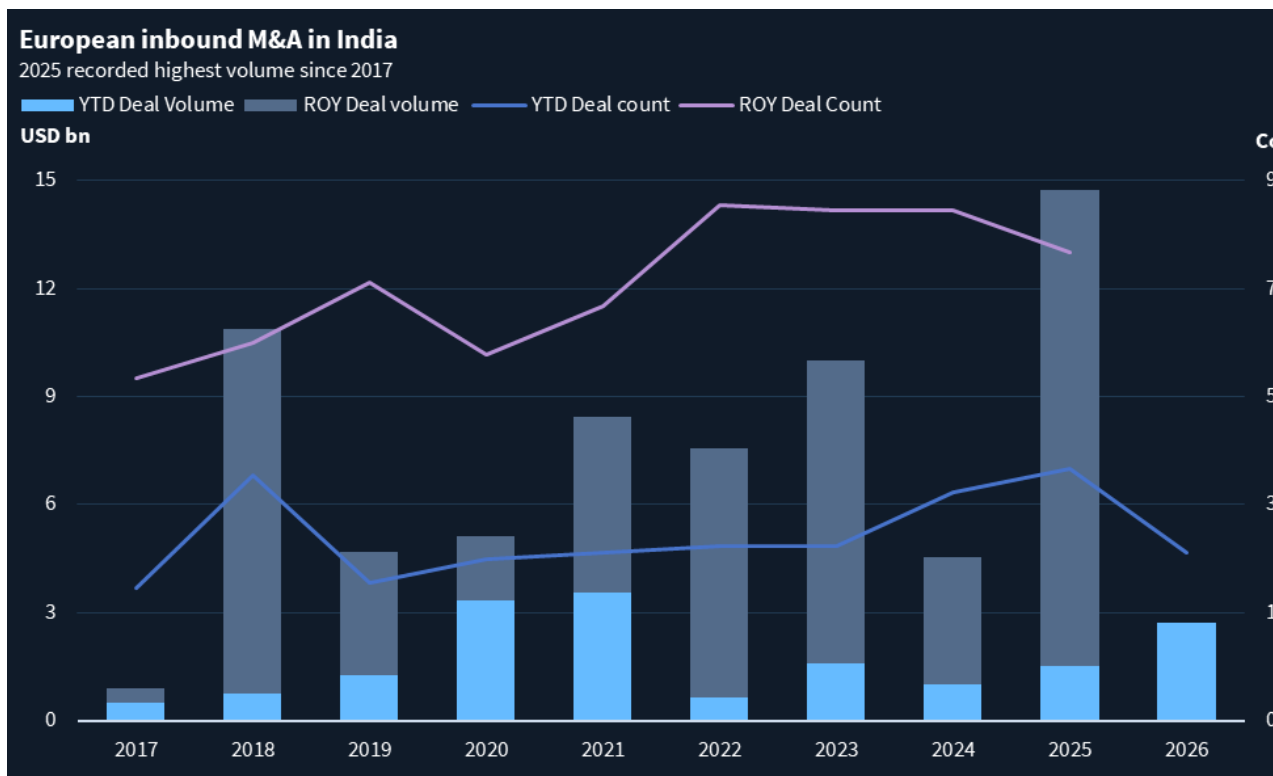
At EUR 21.7m, the acquisition is small by global M&A standards. Yet it was one of the first takeovers of an Indian company by an Icelandic buyer, and a sign of how European companies are looking east not for software engineers or call centres, but for hard industrial capacity, lower operating costs and access to markets from the Middle East to the Pacific Rim.

Last year, European investors into India announced 120 deals worth USD 14.8bn, the highest deal volume since 2017 and close to the record 123 deals recorded in 2024. The momentum carried into this year, with 1Q26 volume reaching USD 2.7bn across 28 deals, compared with the previous quarter's USD 640m across 23 transactions.

This step change in activity along the India–EU corridor comes as global M&A patterns shift in response not only to macroeconomic pressures and technological mega-themes, but also to political trade agreements such as the India–EFTA Trade and Economic Partnership Agreement (TEPA).

EFTA members—Switzerland, Norway, Iceland and Liechtenstein—have pledged USD 100bn of investment into India over the next 15 years. The Kohinoor deal was completed before the India–EFTA trade pact was finalised but is exactly the kind of transaction the agreement is designed to support.

With the much larger and long-negotiated India–EU Free Trade Agreement (FTA) now expected to be ratified in 2027, the flow of European investment into India is likely to accelerate further.



*Source: Mergermarket, data correct as at 14-Apr-2026.*ROY abbreviates to Rest of the Year.*

The UK has long been among the most active European investors into India and last year completed 34 deals. Next was the Netherlands with 22 and Germany with 15. Year to date, Germany has already signed nine deals, ahead of the UK (five) and the Netherlands (four).

Swiss companies are also notably active. Barry Callebaut, one of the largest chocolate manufacturers in the world, opened its third manufacturing facility in India in July 2025. Earlier this year life-sciences manufacturer Lonza Group and UBS both set up GCCs in Hyderabad, attracted by the city's strong talent pool, supportive policies, lower costs and advanced digital capabilities.

Shinoj Koshy, founder and managing partner at SK & Partners, said investments are being driven by structural rather than cyclical factors, including supply chain diversification, Europe's search for growth and resilient manufacturing bases, and India's emergence as both a domestic demand market and an execution hub.

Deal activity across the corridor is increasingly strategy-led rather than sentiment-driven, he said. External shocks such as the Iran-US situation and its impact on energy prices and market volatility may affect board confidence and influence deal timing, but the underlying momentum remains intact, Koshy added.

In terms of sectors, technology and industrials dominate the flow of European M&A investments into India. Other active sectors include consumer and retail, and energy and natural resources. The mix reflects Europe's dual strategy of tapping India's digital growth engine while embedding capital deeper into hard assets, energy transition and manufacturing capacity.

India's manufacturing story broadly plays out across two themes: "local for local" and "local for global", said Gaurav Asthana, managing partner at Transjovan Capital. Government incentives support domestic production, while the local-for-global theme is driven by supply-chain diversification away from China, he said.

Recent transactions in this vein include the acquisition of Nova Air, an industrial gas producer, by French-founded industrial gases group Air Liquide and L'Oréal's proposed acquisition of Indian beauty startup Innovist, a deal designed to strengthen the French cosmetics group's position in India's fast-growing beauty market.

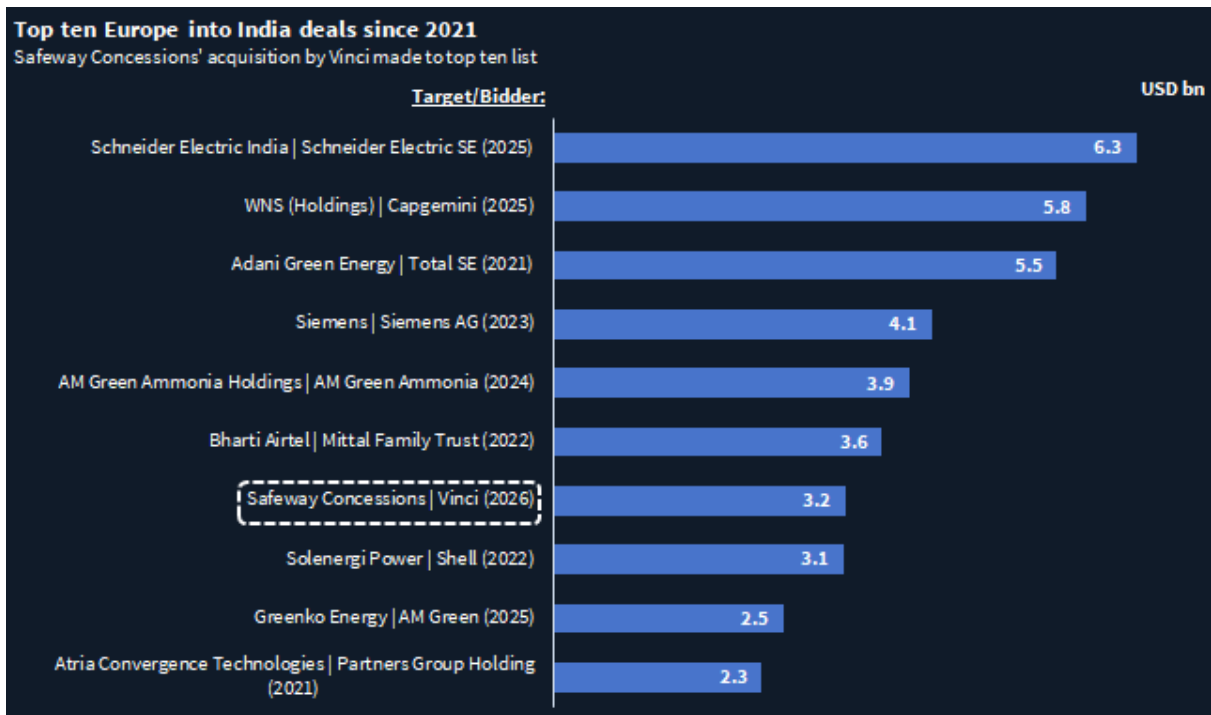
PE put boots on the ground

The dominance of strategic M&A over financial transactions highlights sustained operational intent, but European sponsors and institutional investors are increasingly positioning India as a core allocation market rather than a satellite exposure.

Sweden's EQT says the Indian buyout market grew from USD 2bn in 2013 to USD 15bn in 2024 and expect it to grow by multiples of that over the next few years. One new entrant hoping to take some of those opportunities is Switzerland-based Partners Group, which recently announced plans to raise at least USD 1bn for its inaugural India-focused buyout fund. The firm is participating in the auction of IntelliSmart Infrastructure, a smart-metering and digital-solutions provider.

Europe's Amundi PE, meanwhile, is one of a number of parties that the promoters of Mumbai-based housewares company Cello World, which IPO'd in 2023 and today has a market valuation of USD 1bn, have sounded out as they look to divest a controlling stake.

India is rapidly becoming not just as a source of opportunity, but as a strategic investment destination for European businesses.



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