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India energy M&A hits record high as global risks sharpen focus on power – Dealspeak APAC

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by Darshan Rane and Kunal Samnani

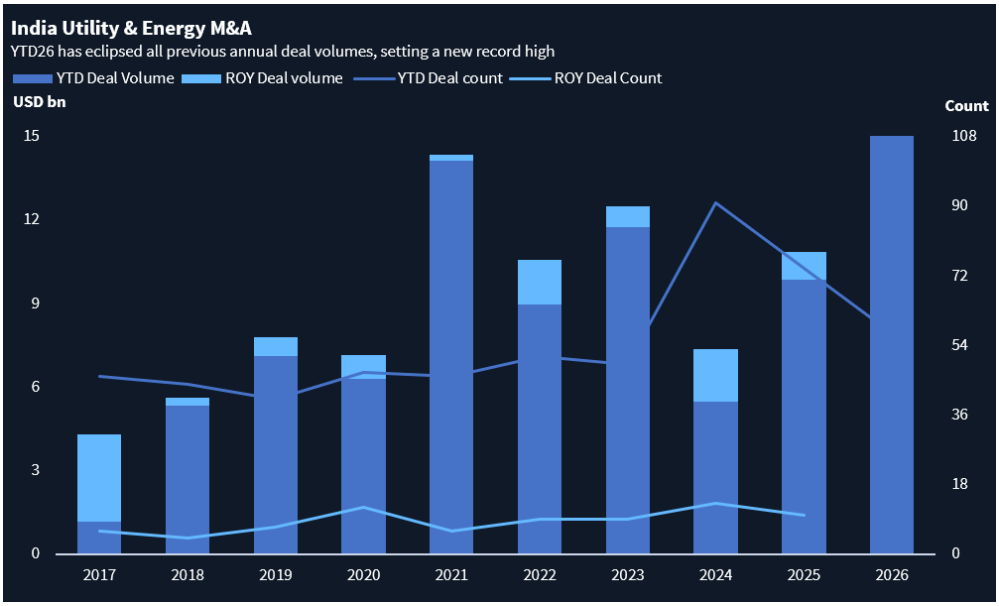
- Structural demand, energy-security drive investment
- Hormuz disruption impacts energy investment themes
- Current deal cycle part of a long-term structural trend

India's energy M&A market is on course for a record year as geopolitical disruptions reinforce the country's push to strengthen domestic energy capacity and reduce dependence on imports.

The acceleration reflects both structural demand and growing energy-security concerns. India imports more than 85% of its crude oil requirements, leaving the economy exposed to supply shocks and price volatility.

"Demand was already structural, driven by rising power consumption, electrification and manufacturing growth," said Gaurav Asthana, managing partner at Transjovan Capital. The Middle East conflict has added urgency, while government policy is accelerating investment across the energy value chain, he said.

Investors are increasingly favouring renewable energy assets, according to Shinoj Koshy, founder and managing partner at SK & Partners. By contrast, activity in conventional energy segments such as oil and gas has been relatively muted.



Source: Mergermarket , data correct as at 28-Oct-2026.'ROY stands for Rest of the year'

India's energy sector has generated USD 18.7bn of deal value across 57 transactions year-to-date, according to *Mergermarket* data. That compares with USD 9.9bn for all of 2025 and already exceeds the previous annual record.

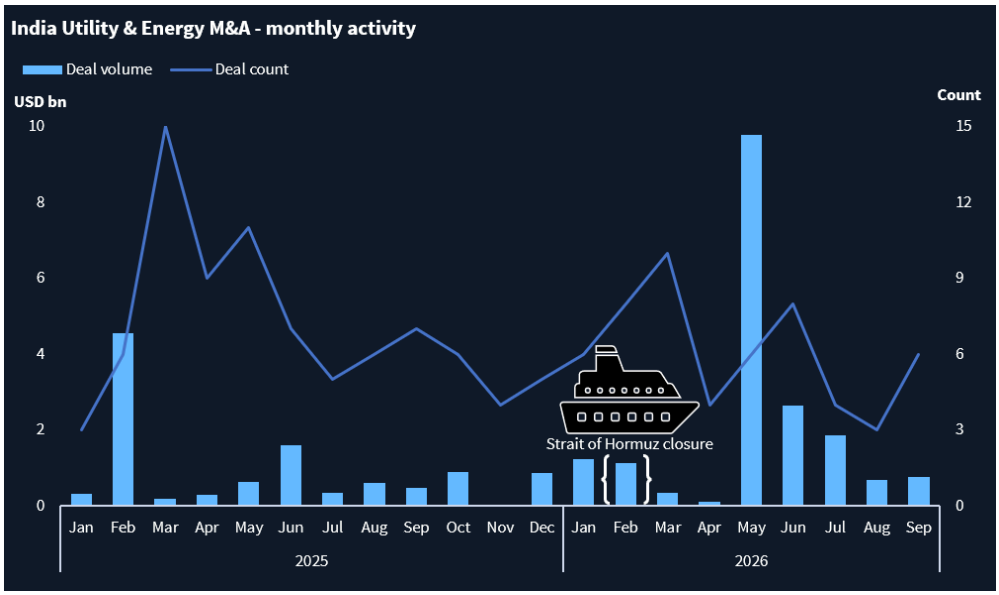
The surge highlights a growing investor preference for assets linked to domestic power generation, renewable capacity and energy infrastructure.

Hormuz shock momentum

The closure of the Strait of Hormuz by Iran in February underscored the risks of India's reliance on imported energy and added momentum to domestic investment themes.

After a slower March and April, dealmaking rebounded in May when a consortium led by CPP Investments and ReNew founder Sumant Sinha submitted a non-binding offer for Renew Global. The process culminated in a USD 10.2bn take-private transaction in August, the largest energy deal announced this year.

Activity has remained robust since. Aditya Birla Renewables agreed to buy Shell-owned Solenergi Power in a USD 1.8bn transaction.



Source: *Mergermarket* *, data correct as at 28-Oct-2026.*

The pipeline remains active.

Actis-backed renewable energy platform BluPine Energy has attracted non-binding bids valuing the business at around USD 2.3bn, with Macquarie, Blackstone-backed Inox Clean Energy and JSW Neo Energy identified as potential bidders.

Meanwhile, Azure Power India's largest shareholders, OMERS and La Caisse, which together own about 77% of the company, are exploring a partial exit at a valuation in the ballpark of USD 1.3bn.

Prospective buyers

Investors and advisers expect infrastructure funds, sovereign wealth funds and pension capital to play a larger role as operating energy platforms mature and consolidation gathers pace.

"We are at the start of a larger trend that will attract patient capital, including sovereign wealth funds, pension funds, global strategics and infrastructure sponsors," Asthana said.

Private equity-backed energy platforms are also expected to become more active acquirers.

Investors with an established presence in India are likely to pursue direct acquisitions, while new entrants may partner with local operators given the sector's regulatory complexity, Koshy said.

Potential consolidators include Actis' Leo Energies, Brookfield-backed Evren, Blackstone and O2 Power's platform, and TPG-backed Fourth Partner Energy among others.

Beyond renewables

Bankers and advisers view the current deal cycle as a long-term structural theme rather than a short-term response to geopolitical events.

Government support remains a key driver, including a USD 2.9bn production-linked incentive scheme for solar photovoltaic manufacturing and USD 3.7bn earmarked for green-energy transmission infrastructure.

However, challenges remain. Land acquisition, permitting and the execution of power purchase agreements with state utilities continue to pose risks to project development, Koshy said.

Investors are also broadening their focus beyond generation assets to transmission networks, battery storage, electrical equipment, e-mobility and energy-efficiency technologies.

Asthana expects cross-border interest to rise as global companies seek exposure to businesses that can reduce import dependence and strengthen supply chains.

Strategic investors from Japan, Europe, the US and Australia are increasingly pursuing acquisitions, joint ventures and technology partnerships in India, he said.

For many buyers, energy security has become as important as the energy transition itself. That shift is helping drive one of India's busiest M&A markets.

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