
Avendus Capital advises LEAP India on its Rs 180 crore (USD 25 million) fundraise from Morgan Stanley India Infrastructure

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LEAP (Leading Enterprise in Advanced Pooling) India, one of the country's largest pallet pooling players, has announced a Rs 180 crore (USD 25 million) fundraise from Morgan Stanley India Infrastructure. With the new infusion of capital, LEAP aims to achieve a total asset pool of 6 million and provide technologically advanced solutions to the market.

Avendus Capital was the exclusive financial advisor to LEAP India and its shareholders on the transaction.

Founded by Sunu Mathew in 2013, LEAP India has an asset pool of approximately 4 million units including pallets, foldable large containers (FLC), crates and utility boxes. LEAP's business is linked to India's consumption story and the company primarily caters to fast-moving consumer goods (FMCG), consumer durables, beverages, e-commerce, retail, auto and auto-component manufacturing sectors.

"This is the single largest round of investment raised by LEAP. With Morgan Stanley India Infrastructure as a partner, LEAP aims to achieve a total asset pool of 4 million and provide technologically advanced products to the market," Sunu Mathew, Founder Promoter and Managing Director of LEAP India said.

"Given its unique business model and the criticality of its assets, for both storage and transportation, LEAP has been able to navigate the COVID-19 situation successfully and has emerged stronger with an increased market share. In terms of market opportunity, India is hugely under-penetrated in terms of palletization. With our investment, we expect that LEAP will further consolidate its market-leading position", said Shyamsundar Gurumoorthy, Managing Director and Co-Head of Morgan Stanley India Infrastructure.

LEAP provides timber pallets and plastic utility boxes on rent and integrates the supply chain across suppliers, manufacturers, 3PL service providers and retailers. It has a large footprint in India catering to over 600 customers and 7,000 touchpoints from a pan-India network of 18 warehouses. LEAP's pooling business model is based on sharing and re-using assets, underscoring the growing importance of sustainability in business practices. LEAP also offers returnable packaging solutions to companies in the manufacturing and e-commerce sectors.

On the transaction, Anshul Agarwal, Co-head, Consumer and Financial Services Investment Banking at Avendus Capital said, "LEAP is the market leader in the Indian pallet pooling industry. Within a short period, it has established itself as a critical player in its clients' supply chain ecosystem through an unparalleled focus on superior product offering, customer service and operational excellence. Morgan Stanley's investment is a testament to the great business built by Sunu and places LEAP in a robust position to consolidate market share in the underpenetrated Indian pallet market."

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Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus's wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, and M&A advisory.

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