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CM RATING 45 /100

Leap India

Offers asset pooling service

Largest on-demand pallet, container and MHEs asset pooling service provider in India's supply chain management sector

Leap India (LIL), promoted by Sunu Mathew, a technocrat, is the largest on-demand asset pooling provider in India's supply chain management sector with 14.70 million assets on offer. It has a widespread network that spans 10,100 customer touch points and 29 fulfillment centers as of March 31, 2026.

LIL's portfolio includes a diverse range of assets such as pallets, containers and MHEs, among others. To better serve its customers, the company is continually expanding its product range to items such as belts, wedges, stillages, and racking. Of the total 14.70 million assets on offer by the company, about 8.98 million are pallets; 5.71 million are containers(including foldable, large containers(FLC), window FLCs and utility boxes; and 4743 material handling equipment (MHEs) largely forklifts. With its extensive selection, customers no longer need to coordinate with multiple suppliers for their pallets, containers, MHEs, and other supply chain assetsto streamline their operations and reduce management complexity. In FY26, about 62.17% of the revenue from operations is from pallet pooling and balance 37.83% from others.

The company is the only player in India currently operating at a considerable scale and at a national level in the pallet pooling segment. Its pallets are made with 100% SPF from certified, sustainable international suppliers from Europe and Oceanic countries. Taron, its subsidiary, is recognized as the leading forklift pooling player and a leader in the lithium-ion segment of MHEs, having been the first to introduce these solutions in India.

On January 8, 2025, the company acquired Chep India Private Limited and pursuant to order dated April 17, 2025, from the National Company Law Tribunal, Mumbai, Chep India, erstwhile wholly owned subsidiary, was merged with the company with effect from June 2, 2025. Further, in February 2023, it acquired Skan Marine Services Private Limited and pursuant to order dated May 29, 2024, from the National Company Law Tribunal, Mumbai, Skan, erstwhile subsidiary, was merged with the company with effect from June 21, 2024.

LIL were the first company in India to introduce passive RFID-tagged containers. It is also in the process of tagging Chep acquired Assets with passive RFID tags. Passive RFID allows for real-time tracking and improved asset management practices throughout the supply chain. Further its MHE fleet is IoTenabled, allowing for detailed tracking of forklift movements at customer locations and providing operational insights.

The company has established partnerships with more than 1,000 customers as of March 31, 2026, including with blue-chip companies across various industries. Its customer list includes reputed companies such as Hindustan Coca-Cola Beverages Private Limited, Marico Limited, Toll (India) Logistics Private Limited, Daikin Air-conditioning India Private Limited, Panasonic Life Solutions India Private Limited, Haier Appliances India Private Limited, Daimler India Commercial Vehicles Private Limited, Autoliv India Private Limited and Sanathan Textiles Limited, among others. The company has established a trackrecord of customer service and reliability, demonstrated by the tenure of its relationships. Several top 10 customers (in terms of revenue) arewith the company for more than five years.

Utilisation of pallets, containers and MHEs stood at 89.34%, 71.68% and 79.79%, respectively, in FY26 and 87.46%, 76.03% and 81.54%, respectively, in FY25.

The Issue & Object of the offer

The issue comprises both offer for sale by existing shareholders and fresh issue of shares. The fresh issue comprises issue of equity share of Rs 1 face value, aggregating to Rs 480 crore. And the offer for sale comprises sale of equity shares by promoters and promoter group shareholders aggregating up to Rs 2000 crore [Rs 1998.623 crore by Vertical Holdings II Pte and Rs 1.377 crore by KIA EBT Scheme 3 (acting through its trustee, Catalyst Trusteeship Limited). Vertical Holdings II will hold 40.41% stake on post issue expanded equity. Vertical is a private company incorporated under the laws of Singapore on May 22, 2023. Vertical is a wholly owned subsidiary of Vertical Holdings I Pte. Ltd., which is majority (98.8%) owned and controlled by KKR Asia Pacific Infrastructure Holdings II Pte. Ltd. Vertical is engaged in investment activities primarily with an objective of earning long time capital appreciation. Vertical seeks to invest in companies incorporated in India that operate in the infrastructure sector.

Of the net proceeds from fresh issue the company intends to use Rs 360 crore towards re/pre=payment (in full or part) of certain borrowings availed by the company and balance towards general corporate purposes.

The aggregate outstanding borrowings of the company (on a consolidated basis) as on June 30, 2026 stood at Rs 1023.20 crore.

Strengths

Largest on-demand supply chain asset pooling company, in an industry with high barriers to entry. It holds 90% of the market share in the pallet pooling business in India with the largest pallet fleet.

Extensive pan-India network (10100 customer touch points & 29 fulfillment centres) enables the company to leverage reverse logistics for pallet retrieval at a competitive cost.

Highly resilient business model with established partnership of over 1000 customers as of March 31, 2026, including a blue-chip customer base across high growth sectors.

Ability to offer a comprehensive suite of supply chain assets (including pallets, containers, and MHE) has enabled it to capture a larger share of wallet from both existing and new customers.

Contracts with customers are typically being multi-year recurring contracts with select contracts ranging up to five years. Further, the business is characterized by low customer churn as its pooling assets are integrated into its customers supply chain and switching to another player would be difficult and costly for them, as it would require re-palletization across all touchpoints.

Trusted supply chain partner equipped to meet evolving customer needs with a focus on quality and sustainability.

Efficient asset management capabilities led by technology and a focus on customer service leading to supply chain efficiency.

High growth potential on the back of increasing penetration of palletization and pallet pooling. The adoption of palletization is still at a nascent stage in India. Within palletization, pallet pooling is also under-penetrated. India remains one of the most underpenetrated markets at just 10 million pooled pallets (9.4% of its 106 million total pallets).

Proven track record of acquisitions demonstrates a capability to acquire, integrate, and revitalize companies in the asset pooling and supply chain management sector.

Top 5/10 customers accounted for just 19.2% and 26.7% of revenue from operations in FY26 reflecting diversified revenue/customer base.

Weaknesses

Steady decline in operating profit margin from 55.6% in FY24, to 54.7% in FY25 and then to 49.5% in FY26.

Change in customer preference in favour of one-way pallets over pooled solutions, the demand for the service of the company will come down resulting in underutilization of existing assets.

Pooling asset loss and inadequate controls and processes on the pooling equipment may result in additional expenses.

Trade receivables as a % of revenue from operations stand at 35.96% in FY26, 42.69% in FY25 and 39.35% in FY24.

A total of 19,889,503 equity shares held by Sunu Mathew, one of the promoters, and Matyas Possessiones, a private company that is part of the promoter group, amounting in aggregate to 4.83% of the pre-offer equity share capital of the company on a fully diluted basis, had been pledged in favour of Catalyst Trusteeship Limited in relation to the unlisted nonconvertible debentures bearing face value of Rs 1,000,000 each, issued by Matyas. Upon re-creation of such pledge to the extent permitted under SEBI ICDR Regulations, any invocation of such pledge could dilute the shareholding of such individuals in the company.

Operations of the company aresubject to volatility in the supply and pricing of pallets or availability of pallets from third-party suppliers required for its pallet pooling business.

Use of pooled pallets and containers presents a risk of contamination within the supply chain and may affect the business.

Company's brands 'Leap', and 'Taron' are among wellknown, for which applications for the registration of the trademarks have been made by the company and its Subsidiary, Taron, respectively.

Statutory auditors have included certain comments which do not require corrective adjustments and certain matters prescribed under the Companies (Auditor's Report) Order, 2020, in the Restated Consolidated Financial Information of company.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2026 stood higher by 56% to Rs 729.53 crore largely with income from sale of products (comprising sale of traded goods such as pallets, lumber, forklifts, utility boxes, crates, pallet trucks & other) stand at Rs 35.183 crore (up 195.53% from Rs 11.905 crore) and sale of services stand at Rs 681.542 crore (up 52.62% from Rs 446.551 crore). Share of income from sales of products to the topline increased from 2.6% in FY25 to 4.8%in FY26. Higher sale of products is due to increased customer demand as well as acquisition of Chep India. With OPM contracting by 520 bps to 49.5%, the growth of OP was 41% to Rs 361.01 crore. Finally, net profit after MI was up by 66% to Rs 62.34 crore aided by lower depreciation as % of sales and lower tax incidence.

On expanded equity, the EPS for FY2026 was Rs 1.4. The issue price (on the upper price band) discounts the FY26 EPS by 113.6 times. The P/BV stood at 5.8 times and EV/Sales stood 11 times.

Repayment of Rs 360 crore from net proceeds will bring the borrowings down by about 35.18%, resulting in lower interest outgo and boosting the net-profit substantially. The EPS forFY26 works out to Rs 2.2 if 35.18% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 72.3 times of FY26 EPS.

There are no listed comparable companies in India in terms of its business and scale of operations.

Leap India : Re-stated Consolidated Financials			
	2403 (12)	2503 (12)	2603 (12)
Sales	364.97	466.47	729.53
OPM (%)	55.6	54.7	49.5
OP	202.95	255.24	361.01

Other income	6.97	18.56	17.82
PBIDT	209.92	273.80	378.83
Interest	50.60	68.01	93.65
PBDT	159.32	205.79	285.18
Depreciation	112.61	153.73	204.33
PBT	46.71	52.06	80.85
EO Exp	0.00	0.00	0.00
PBT after EO	46.71	52.06	80.85
Tax	9.53	14.50	18.51
PAT	37.17	37.56	62.34
Share of Profit from Associates	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00
Net profit after MI	37.17	37.56	62.34
EPS (Rs)*	0.8	0.9	1.4
* on post IPO fully dilluted equity (on upper price band) of Rs 44.05 crore. Face Value: Rs1			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			

Leap India : Issue Highlights	
Fresh Issue (Rs crore)	480
Offer for sale (Rs crore)	2000
Price band (Rs.) **	
Upper	159
Lower	151
Post-issue equity (Rs crore)	
in Upper price band	44.05
in Lower Price Band	44.21
Post-issue promoter (including promoter group) stake (%)	60.61
Minimum Bid (in nos.)	94
Issue Open Date	07-08-2026
Issue Close Date	11-08-2026
Listing	BSE, NSE
Rating	45 /100