

Consumer | Luggage



Travel, mobility, and aspirations unlock Luggage 2.0!

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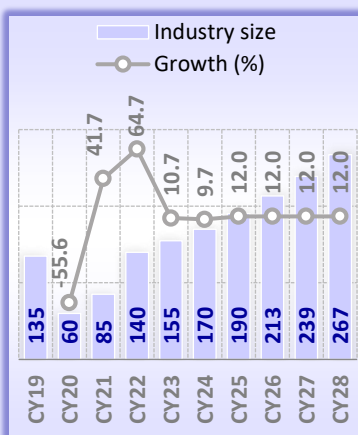
Luggage



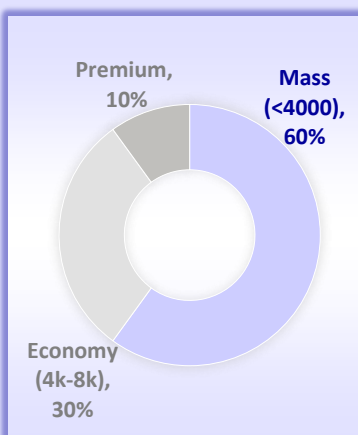
Valuation matrix

Rating		P/E (X)		RoE (%)	
		FY26E	FY27E	FY26E	FY27E
VIP	BUY	188.4	48.5	5.4	18.3
Safari	BUY	51.9	44.4	20.0	19.6

Domestic luggage industry



ASP split – value segment



Travel, mobility, and aspirations unlock Luggage 2.0!

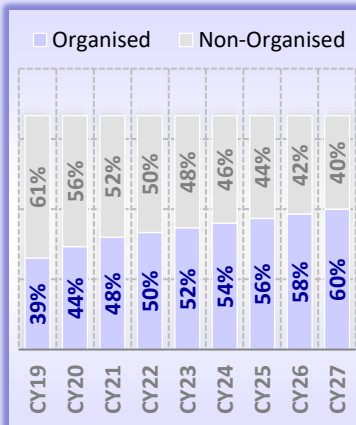
Initiate coverage on VIP Industries and Safari Industries with a BUY rating

- The Indian luggage industry is projected to reach INR267b by CY28, registering a CAGR of 12% over CY23-28. After contracting sharply to INR60b in CY20 due to the pandemic, the sector rebounded strongly, clocking a 37% CAGR between CY20 and CY23. Branded players, holding a 52% market share in CY23, are expected to outpace overall industry growth, propelled by rising disposable incomes, rapid urbanization, and resurgence in both domestic and international travel. The ongoing shift from unbranded to branded products—driven by product innovation, premiumization, and e-commerce expansion—is set to spur robust volume and value growth in the organized segment. Additionally, industry experts note that luggage is increasingly viewed as a status symbol, further fueled by evolving social trends.
- Industry estimates pegged the Indian luggage market at INR170b in CY24, with branded products gaining share and presenting significant conversion potential. VIP, Samsonite, and Safari together control about 33% of the market. The mass segment (priced below INR4,000) accounts for 60% (~INR102b), driven by brands such as Safari (~16%), Aristocrat, and Kamiliant (~30% together) that fuel first-time branded adoption through aggressive pricing, bundles, and widespread distribution. In the mid-priced segment (~30% of the market), VIP (21% via VIP and Skybags) and American Tourister (~17%) leverage strong brand recall and omnichannel presence to target upwardly mobile, value-conscious consumers, focusing on distinctive designs, seasonal launches, and curated retail formats to reinforce aspiration.
- In the premium segment (about 10% of the market), legacy brands, such as Samsonite (~20% share) and Carlton (~8%), maintain leadership through their established reputation in the business and international travel segments. More importantly, premium luggage is evolving into a lifestyle accessory—blending status, style, and self-expression—fuelled by rising incomes, social aspirations, and the growing influence of digital culture. Together, new D2C entrants such as Mokobara and Uppercase are redefining consumer engagement by leveraging a digital-first approach, influencer-driven storytelling, and minimalist designs that resonate with millennial and Gen Z consumers, particularly in metro areas. These dynamics illustrate a clear brand hierarchy, where success depends on owning a distinct price-value-positioning axis and aligning product, channel, and brand storytelling with evolving travel and lifestyle aspirations.
- We initiate coverage on VIP Industries and Safari Industries with a BUY rating.

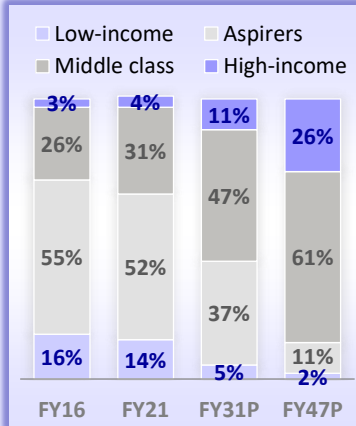
VIP Industries (VIP): Following a series of sharp underperformances, with industry tailwinds and a change in the top management, we expect VIP to deliver robust revenue/EBITDA at a CAGR of 10%/73% over FY25-FY28E, driven by volume growth and sharp improvement in margin profile. **We initiate coverage on VIP with a BUY rating and a DCF based TP of INR530 (implied P/E of 47x on Sep'27).**

Safari Industries (SI): A leading player in the mass-luggage industry that outpaced industry growth with ~30% market share (b/w the top players), SI has reported a revenue CAGR of 36% over FY22-25. With its focus on building Safari Select/Urban Jungle (premium positioning) and enhanced capacity at Jaipur, the company is expected to deliver a revenue/EBITDA/APAT CAGR of 16%/25%/27% over FY25-FY28E, driven by healthy volume growth and an improving margin profile. **We**

Share of organized and unorganized market



Rising trend of middle-income households in India



initiate coverage on SI with a BUY rating and a DCF based TP of INR2,700 (implied P/E of 50x on Sep'27).

Key risks: 1) weak macro and geopolitical shocks affecting travel & tourism, 2) intense price competition in the mass segment, 3) slower adoption of hard luggage in Tier 2/3 markets, 4) higher imports by unorganized players from China, and 5) rising input costs and increased trade discounting, adversely impacting operating margins.

Structural demand drivers fueling the Indian luggage industry

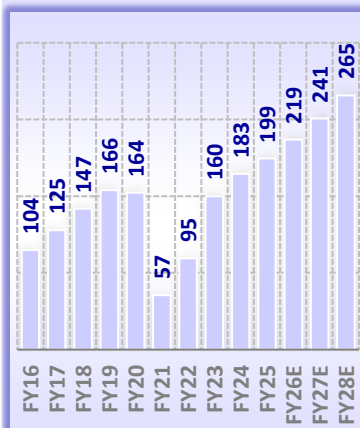
India's luggage market is shifting from utility to lifestyle, driven by rising urban incomes, growing aspirations, and wider exposure to global trends. Increasing discretionary spending, shorter replacement cycles, and demand growth in semi-urban and rural areas are broadening the consumer base. Leading brands like VIP, Safari, and Samsonite are gaining market share as consumers prefer quality, design, warranties, and trusted labels. The premium segment is the fastest-growing category, fueled by Millennials and Gen Z seeking lifestyle upgrades. Tech innovations—such as smart luggage with GPS, USB charging, and app connectivity—are elevating luggage to a high-utility, aspirational product. Expansion of e-commerce and modern retail further supports organized players and premiumization. Valued at around INR155b in CY23, the Indian luggage market is expected to clock a 12% CAGR through CY28, driven by travel growth, rising incomes, and penetration into Tier-II/III cities. This structural shift marks luggage as not only a travel necessity but also a style and status statement.

Income growth significantly stimulates premiumization

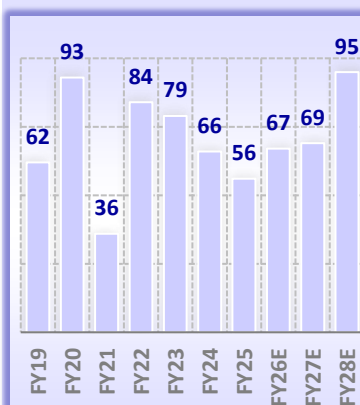
As disposable incomes rise, consumers increasingly shift from basic, utility-driven products to branded and aspirational luggage. This transition is driven not only by enhanced purchasing power but also by social and status motivations—consumers buy premium luggage to signal prestige, self-expression, and peer acceptance. Industry reports highlight that the expanding middle class and urbanization raise demand for higher-quality, stylish, and technologically advanced luggage. This is reinforced by growing travel frequency and lifestyle aspirations. Furthermore, premium brands benefit from consumers' desire for status symbols that reflect evolving social values and identity, especially among millennials and Gen Z in metro areas.

Higher income in urban areas leads to more premium luggage purchases: Rising income levels in urban India are shifting consumer preferences toward premium luggage, with greater emphasis on quality, brand reputation, technology, and status. This marks a clear move away from basic, utility-driven products. Our ground checks reveal that affluent urban consumers increasingly prioritize design and craftsmanship that align with their lifestyle, while brand-conscious and aspirational buyers seek durability, trust, and a sense of prestige. For many urban travelers, luggage has evolved into a reflection of personal style—a status symbol that conveys sophistication, ambition, and global exposure. Notably, higher disposable incomes are also fueling demand for smart luggage with advanced features such as GPS tracking, USB charging ports, and app-enabled connectivity.

Total air passenger traffic growth in India (m)



Number of wedding days over the years



Surging travel & tourism propels the expansion of the luggage market

India's travel landscape has transformed dramatically post-pandemic. According to the Ministry of Tourism, domestic tourist visits increased to 3.06b in CY24 from 2.51b in CY23—exceeding the pre-pandemic levels. Growth in leisure travel, weddings, MICE events, and short weekend getaways is fueling recurring luggage demand, especially among younger, urban consumers. Rising disposable incomes, enhanced regional air connectivity, and improved tourism infrastructure are making travel more accessible, leading to more frequent trips and shorter luggage replacement cycles.

Simultaneously, steady increases in air and rail passenger traffic strongly correlate with rising luggage industry revenues. Premiumization is accelerating as consumers shift towards branded, stylish, and durable luggage over basic utility products. Government initiatives like “Dekho Apna Desh”, alongside rapid infrastructure development, further boost travel momentum, positioning the organized luggage sector for sustained, long-term growth.

Weddings – a key growth driver in luggage consumption

Weddings significantly boost luggage demand in India, driven by gifting customs, trousseau packing, and the rising trend of destination weddings. The market witnessed peak demand during Nov–Dec'24, with over 4.8m weddings during this period alone. For FY26, the number of auspicious wedding dates is likely to rise to 67, marking a 20% YoY rise, ensuring cyclical but predictable demand patterns.

Destination weddings, both domestic and international, are expanding rapidly—clocking an approximate CAGR of 8-10%—leading to increased premium luggage purchases as larger family groups travel together. This segment alone contributes an estimated 10-15% uplift in premium luggage sales annually.

Combined with other travel drivers, weddings form a crucial part of recurring luggage demand, especially among young urban consumers with rising disposable incomes. As families prioritize quality and brand in luggage for gifting and travel, premium and aspirational segments are seeing sustained growth aligned with these social and cultural factors.

Student migration and corporate mobility fuel luggage growth

The resurgence of academic activities and increasing student mobility are driving significant and steady demand for luggage products like backpacks, duffel bags, and travel luggage in India. Factors fueling this include hostel life, educational trips, and university admissions, with parents preferring branded, durable, and ergonomic products—supporting growth especially in the mid-premium segment. Students form a reliable, recurring customer base for luggage brands, reflected in the rising market for school bags and travel gear.

Concurrently, the revival of corporate travel and the hybrid work model have bolstered demand for compact, professional luggage solutions. Business travelers increasingly seek functional yet sleek products like laptop bags and compact trolleys, making this a rapidly growing segment driven by brand presence and lifestyle fit.

This aligns with the broader luggage market trend shifting from purely utility to lifestyle and premiumization, reinforced by tech integrations and design innovation.

Initiating coverage on VIP and Safari with a BUY rating

VIP and Safari are the leading players in the Indian luggage industry, commanding strong market positions across mass and mid-premium segments. While travel, tourism, and weddings remain consistent demand drivers, we believe the sector's structural growth is increasingly fueled by the resurgence of academic activities, rising international student mobility, and accelerating premiumization trends. Given these multi-dimensional tailwinds and their established brand equity, Safari and VIP are strategically positioned to expand market share and deliver healthy earnings growth. We initiate coverage with a BUY recommendation, expecting them to capitalize on both volume expansion and value premiumization, supported by effective product, channel, and brand strategies aligned with evolving consumer preferences.

VIP Industries: Following a series of sharp underperformances, with industry tailwinds and a change in the top management, we expect VIP to be geared up to regain its lost market share, coupled with a sharp improvement in operating margins. We model a revenue/EBITDA CAGR of 11%/45% over FY25-FY28E, driven by volume growth and sharp improvement in margin profile. **We initiate coverage on VIP with a BUY rating and a DCF based TP of INR530 (implied P/E of 47x on Sep'27).**

Safari Industries: A leading player in the mass-luggage industry, outpacing industry growth, with ~30% market share (b/w the top players), has reported a revenue CAGR of 36% over FY22-25. We expect SI to deliver industry-beating growth to expand its market share, focusing on 1) building the Urban Jungle brand along with Safari-Select (premium positioning), 2) ramping up capacity utilization at Jaipur, 3) building in-house manufacturing of ancillary components, and 4) adding 50 EBOs every year. We have modelled revenue/EBITDA/APAT CAGR of 16%/25%/27% over FY25-FY28E, driven by healthy volume growth and improving margin profile. **We initiate coverage on SI with a BUY rating and a DCF based TP of INR2,700 (implied P/E of 50x on Sep'27).**

Risks: 1) weak macro and geopolitical shocks impacting travel/tourism, 2) intense price competition in the mass segment, 3) slower adoption of hard luggage in Tier 2/3 markets, 4) higher imports by unorganized players from China, and 5) rising input costs and increased trade discounting, impacting operating margins.

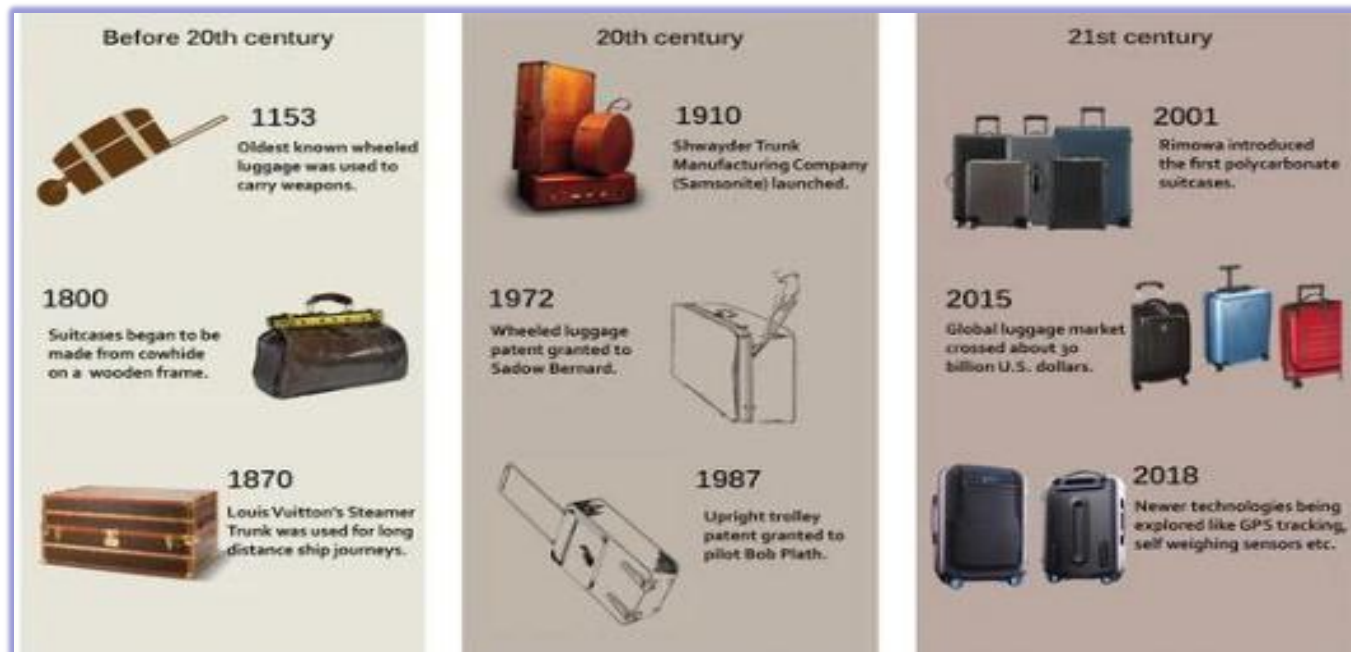
Exhibit 1: Relative valuation comparison of luggage companies

Companies	Mcap (INR b)	Rating	EPS (INR)			P/E (X)			RoE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
VIP Industries	60	BUY	2.4	9.3	13.4	188.4	48.5	33.5	5.4	18.3	21.6
Safari Industries	106	BUY	42.7	50.0	59.1	51.9	44.4	37.5	20.0	19.6	19.4

Source: MOFSL

STORY IN CHARTS

Evolution of the luggage industry



Growth drivers



STRUCTURAL DEMAND DRIVERS

- ❖ Urban Growth and Spending Power Drive Luggage Adoption
- ❖ Market Shift from Unbranded to Branded Luggage
- ❖ Social Media and Fashion Influencing Purchase Decisions

RISING SHARE OF MIDDLE- AND HIGH-INCOME POPULATION TO AID CONSUMPTION

- ❖ 58% of Indians will be middle/high income by FY31
- ❖ Urban spends shifting more to travel and lifestyle

TRAVEL & LEISURE

- ❖ Air travel boom mirrors China's past growth
- ❖ Frequent trips driving faster luggage replacement.
- ❖ Rail and tourism push expanding demand base

WEDDINGS: FUELING CONSUMPTION

- ❖ Strong Wedding Season
- ❖ Increasing trend of destination weddings

CORPORATE MOBILITY FUELING LUGGAGE GROWTH

- ❖ Growing workforce drives luggage demand
- ❖ Rising female WPR boosts spending
- ❖ Work trends fuel compact luggage uptake

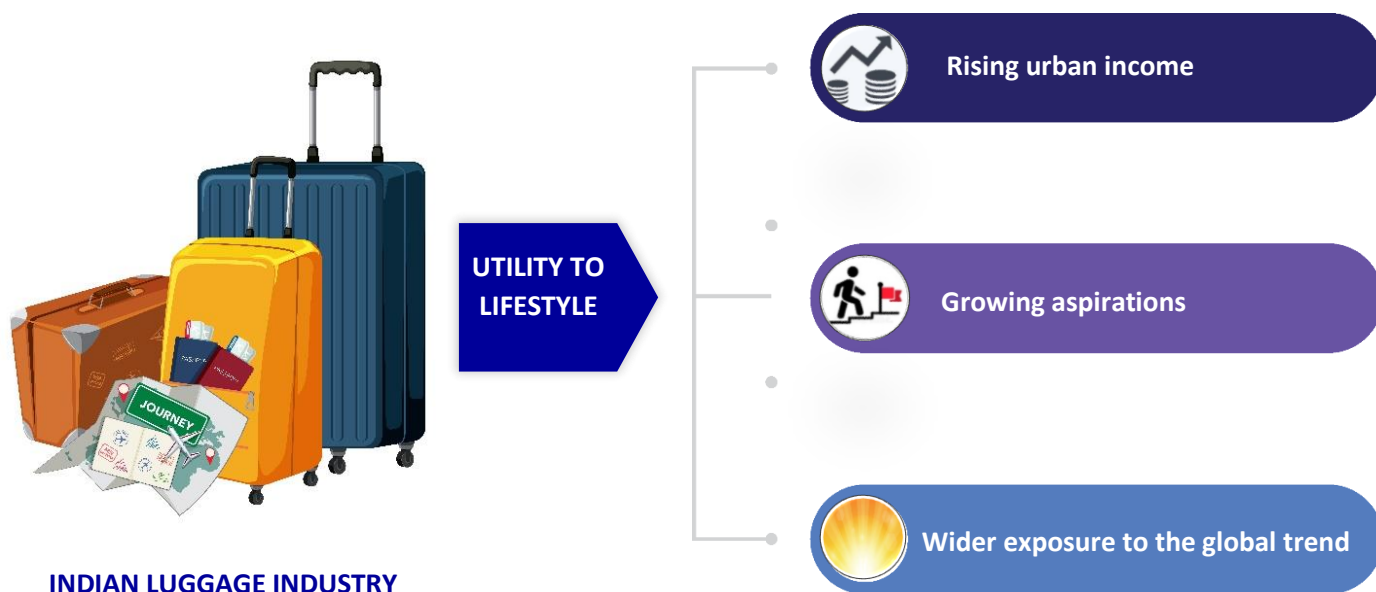
INCREASING ENROLMENT RATIO IN HIGHER EDUCATION GLOBALLY

- ❖ Soaring student mobility drives recurring demand for travel gear
- ❖ Rising enrolments in schools and higher education unlock long-term luggage opportunities

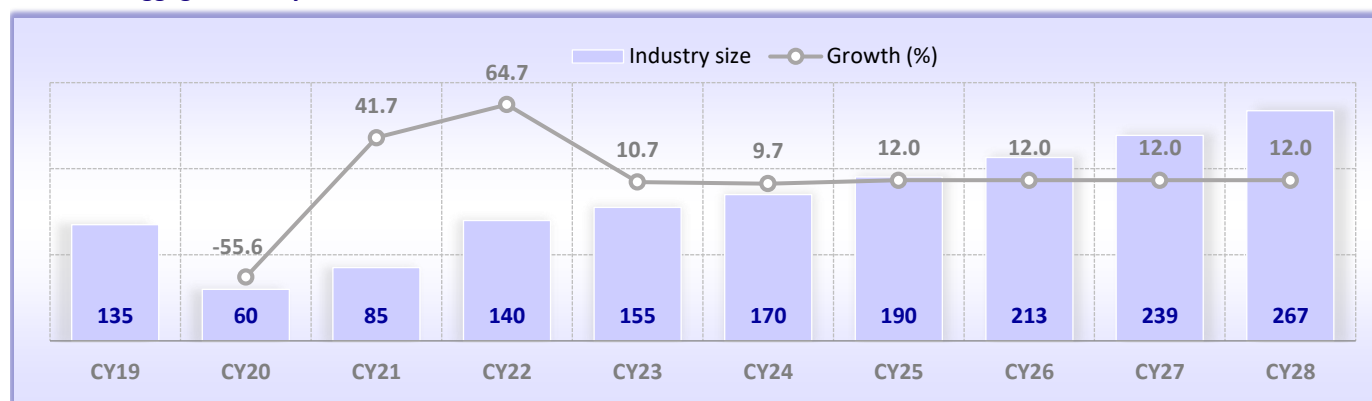
UNION BUDGET 2024-25 TO HAVE POSITIVE IMPACT ON TOURISM SECTOR

- ❖ Govt's tourism push with record FY26 outlay, UDAN expansion, and highway focus to unlock travel-led consumption

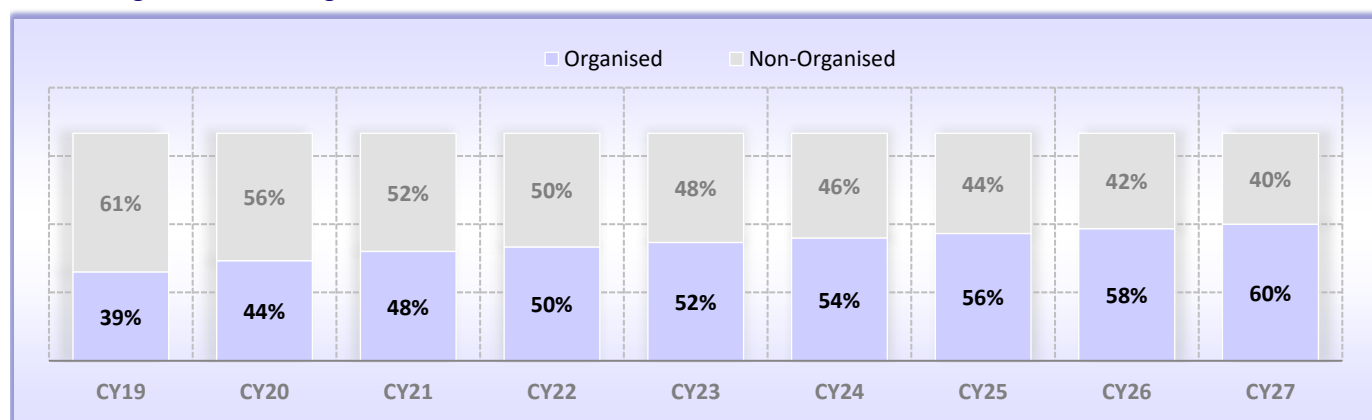
Change in trend for Indian luggage industry



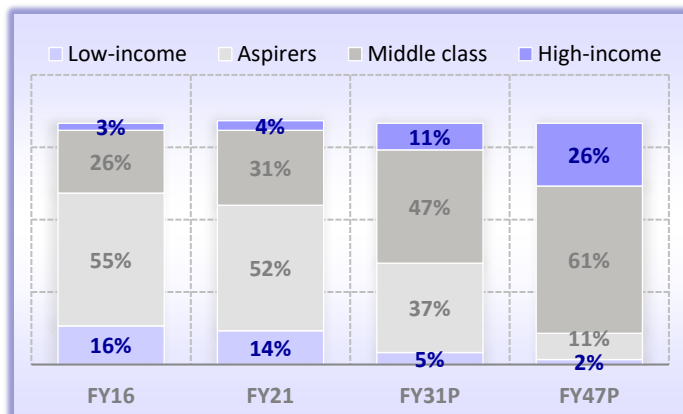
Domestic luggage industry



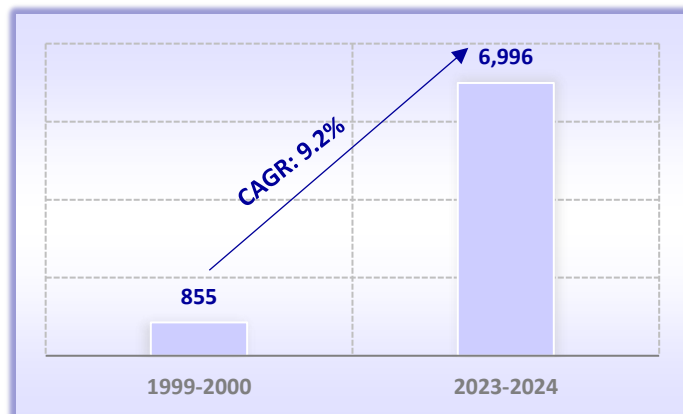
Share of organized and unorganized market



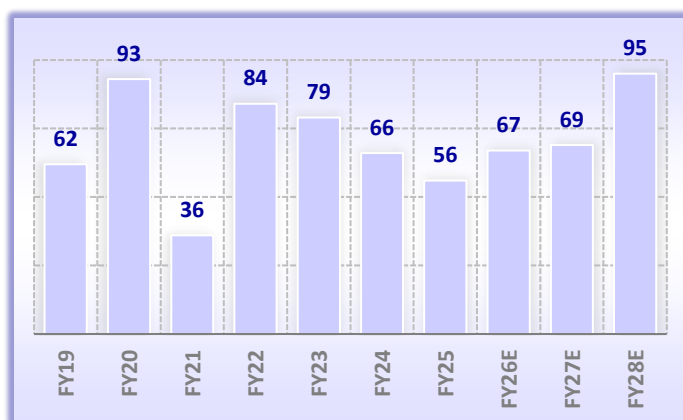
Expanding middle class to drive travel & tourism demand



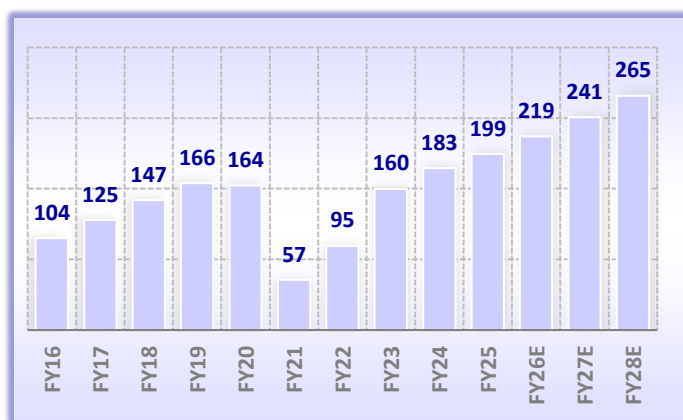
Average monthly per capita consumption, INR



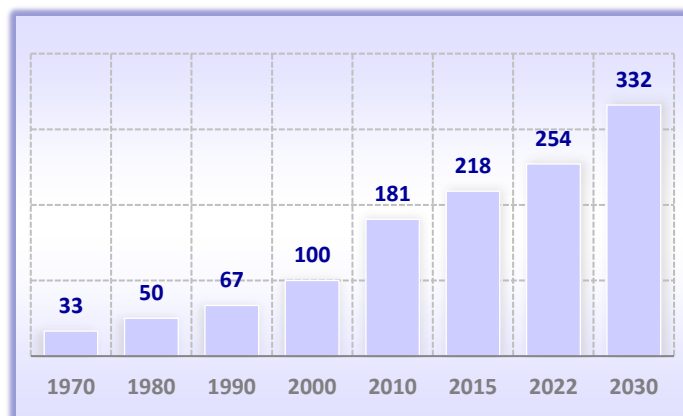
Number of wedding days over the years



Total air passenger traffic growth in India (m)



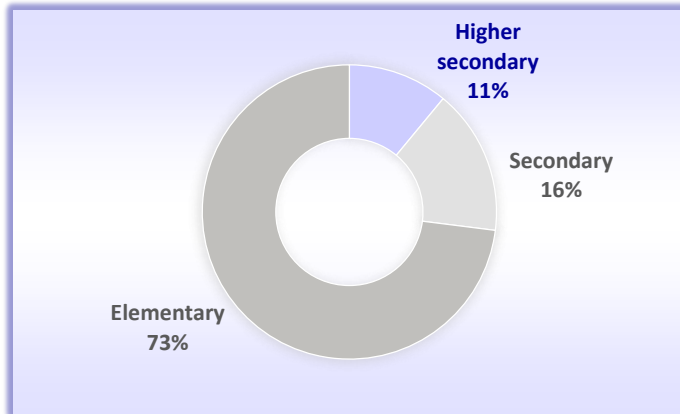
Global higher education enrollments (1970 – 2030), in m



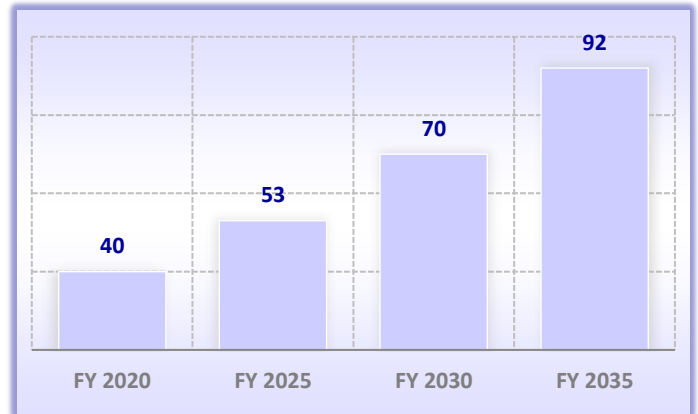
Number of Indian students who travelled abroad each year for education 2017-2022, in m



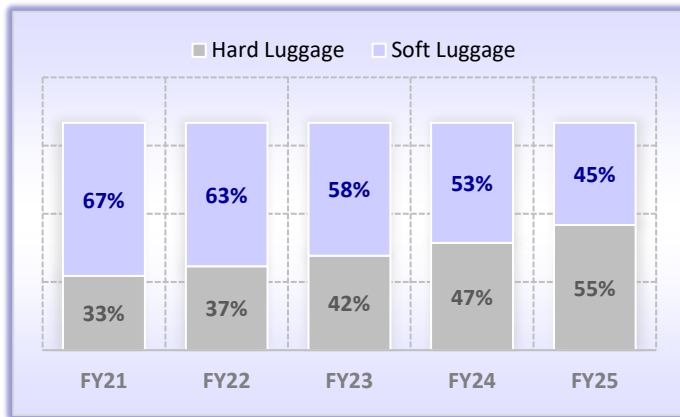
Student enrollment by education level (2023-24)



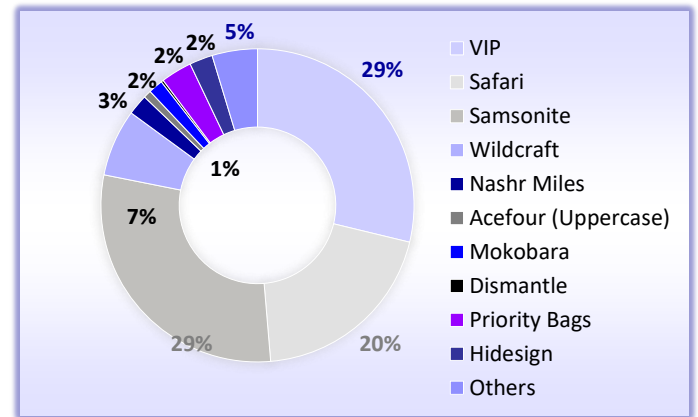
Student enrollment in higher education, India, FY20-35E (m)



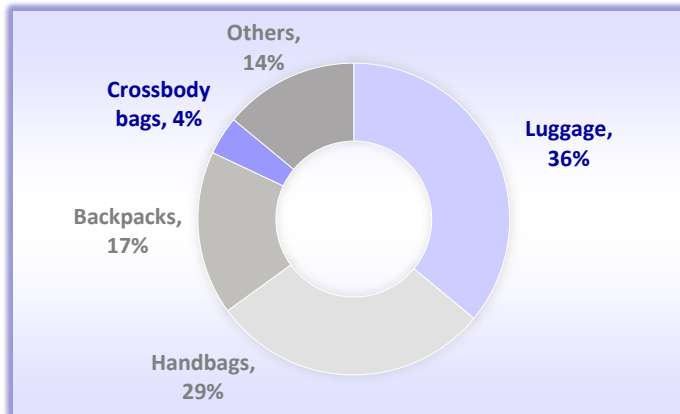
Split between hard & soft luggage in the organized industry



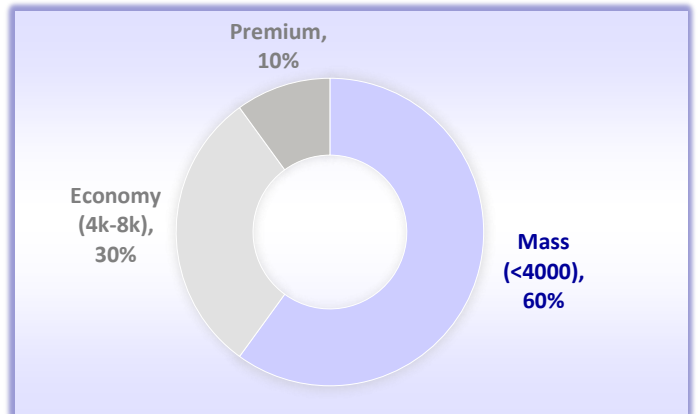
Market share between the organized players – Value (FY24)



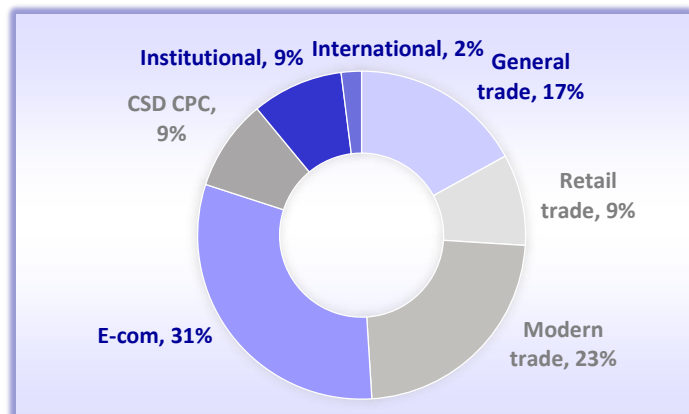
Category split of the luggage market – sub segment



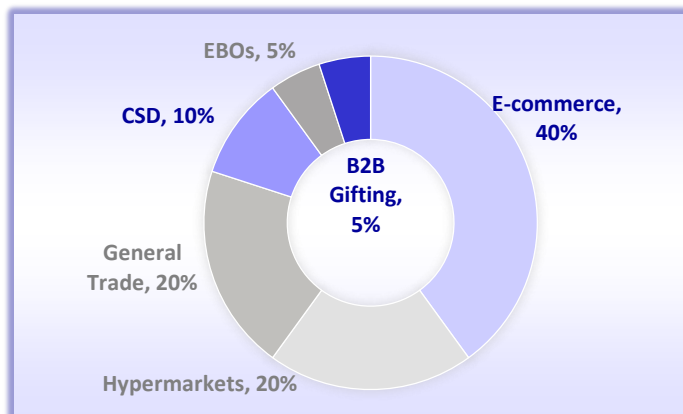
ASP split – value segment



VIP revenue split by channel (FY25)



Safari revenue split by channel (FY25)



Private players in the luggage industry in India

Brand	Samsonite	Wildcraft	Nasher Miles	Mokobora	Uppercase	Assembly
Founded	1910 (Global), India arm active since 1990s	1988	2017	2020	2021	2019
Positioning	Premium, durable, global legacy	Functional, mass premium outdoor gear	Stylish, affordable, mid-premium	Design-led, aspirational, mid-premium	Value-driven, aspirational challenger brand	Affordable lifestyle brand for youth
Key brands	Samsonite, American Tourister, TUMI, Gregory	Wildcraft	Nasher Miles	Mokobara	Uppercase	Assembly
Target segment	Affluent travelers, urban youth (via AT), B2B	Trekkers, commuters, students, institutions	Millennials, families, B2B	Millennials, Gen Z, tech-savvy travelers	Age 18–35: Savers, Seekers, YOLO buyers	Age 18–30, aspirational & B2B clients
Product range	Luggage, backpacks, laptop bags, accessories	Luggage, rucksacks, tents, apparel, footwear	Luggage, backpacks, accessories	Luggage, backpacks, organizers	Luggage, backpacks, duffle & shoulder bags	Curated range (10–11 SKUs), travel gear
Manufacturing strategy	Imports from China, Vietnam, Hungary	Largely domestic	Gujarat facility (75% localized)	Contract manufacturing + R&D	In-house + scale-up plans	90% outsourced to promoter's family unit
Monthly capacity	Not disclosed	Not disclosed	~50,000 units	~35,000 units	30,000 (targeting 75,000)	Small (lean model)
Retail strategy	300+ EBOs, airports, malls, strong MBO presence	~200 EBOs, ~7,500 touchpoints	Online first, scaling offline	Online-led, 20+ stores	6 EBOs, 2,076 GT stores, 653 cities	Online (90%), scaling offline & B2B
Channel mix (Online/Offline)	Post-Covid: Balanced mix	Mostly offline	Targeting 68% online / 32% offline by FY28	Started online, now omnichannel	40% online / 60% offline	40% D2C / 50% marketplace / 10% B2B
Strategic focus	Omnichannel, Tier-2 expansion via AT, innovation	Build "head-to-toe" performance brand	Domestic mfg., expand EBOs, millennial brand	Premium design, omnichannel + global foray	Scale GT + malls, youthful value brand	Lean ops, fast scale via youth + B2B blend

Comparison between the listed players

Particulars	Safari	VIP
Market Capitalization (INR b)	109	64
Business Model	Focused, hard-luggage-heavy, asset-light	Diversified, soft-luggage heavy, partly integrated
Brand Portfolio	Safari, Genie, Urban Jungle, Magnum, Genius	VIP, Aristocrat, Alfa, Skybag, Caprese, Carlton
Manufacturing Strategy	Domestic in-house (Halol, Jaipur) + expanding	A mix of Bangladesh outsourcing and India operations
Go-to-market	GT-focused, emerging D2C & EBO push	Strong MT, EBO, D2C; early-mover advantage
Retail Presence	8,500 touchpoints, 145 EBOs (FY25)	14,000+ touchpoints, 404 EBOs (FY25)
Aspirational Branding	Value-led branding, functional positioning	Design + fashion-led, stronger premium recall
Revenue (INR m) FY25	17,716	21,784
Revenue CAGR (FY22-25)	36%	19%
Hard luggage revenue share (FY25)	74%	60%
Soft luggage revenue share (FY25)	26%	40%
Hard luggage revenue CAGR (FY22-25)	59%	30%
Soft luggage revenue CAGR (FY22-25)	7%	8%
Gross Margin (average FY22-25) (%)	43%	50%
Gross Margin (FY25) (%)	46%	46%
EBITDA Margin (avg. FY22-25) (%)	14%	10%
EBITDA Margin (FY25) (%)	13%	4%
A&P expenses as % of sales (avg. FY22-25)	5%	7%
A&P expenses as % of sales (FY25)	7%	6%
RoCE (average FY22-25) (%)	23%	12%
RoCE (FY25) (%)	17%	0%
Working capital days (avg. FY22-25)	72	114
Working capital days (FY25)	77	106
Promoter Holdings – June'25	45%	52%
SKU's	900+	1000+
Capacity (pcs p.m.)	1.15mn (100% HL)	1.265mn (45% HL)
Brand Strategy	Largely product-driven, no celebrity faces	Uses influencers/celebs tailored to sub-brands
Differentiator	Operational agility, margin-led performance	Legacy brand with deeper retail & brand equity
Growth Strategy	Capacity-led growth + brand building	Margin recovery + retail expansion + rebranding

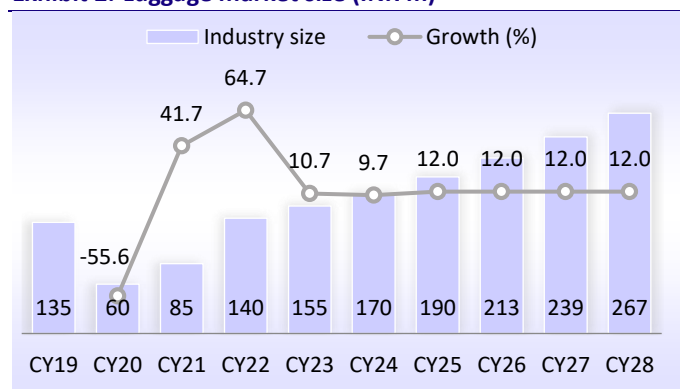
Industry overview

Navigating growth: Top three brands command 33% share in India's expanding luggage industry

The Indian luggage industry, projected to clock a 12% CAGR to ~INR267b by CY28, is driven by rising branded demand (52% share in CY23), urbanization, travel growth, and a strong post-Covid rebound.

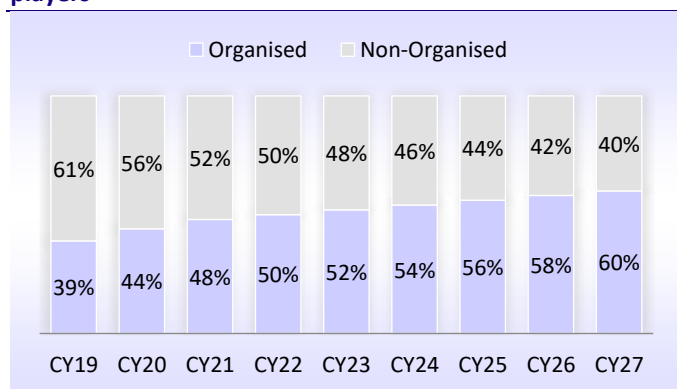
The Indian luggage industry is projected to reach INR267b by CY28, registering a CAGR of 12% over CY23-28, according to Crisil and MOFSL estimates. After contracting sharply to INR60b in CY20 due to the pandemic, the sector rebounded strongly, clocking a 37% CAGR between CY20 and CY23. Branded players, holding a 52% market share in CY23, are expected to outpace overall industry growth, propelled by rising disposable incomes, rapid urbanization, and resurgence in both domestic and international travel. The ongoing shift from unbranded to branded products—driven by product innovation, premiumization, and e-commerce expansion is set to spur robust volume and value growth in the organized segment. Additionally, industry experts note that luggage is increasingly viewed as a status symbol, further fueled by evolving social trends.

Exhibit 2: Luggage market size (INR m)



Source: Crisil, MOFSL

Exhibit 3: Share between the organized and unorganized players

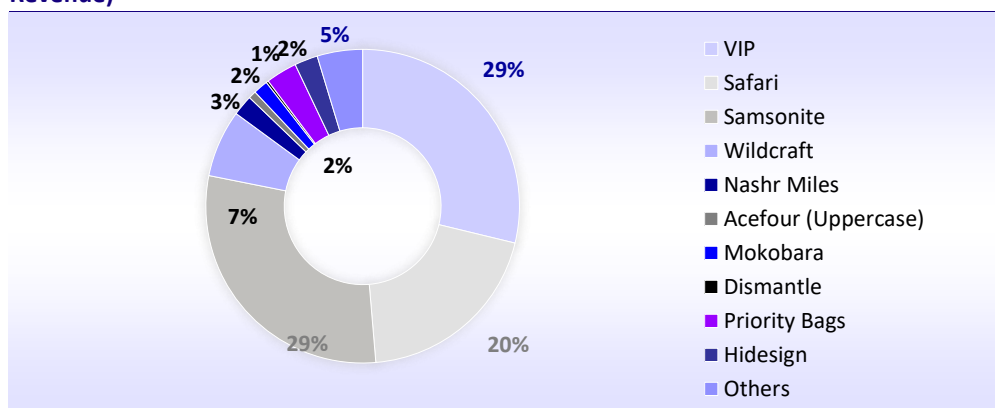


Source: VIP Annual Reports, MOFSL

The market share data for the Indian luggage industry in CY23 indicate a notable concentration and fragmentation pattern:

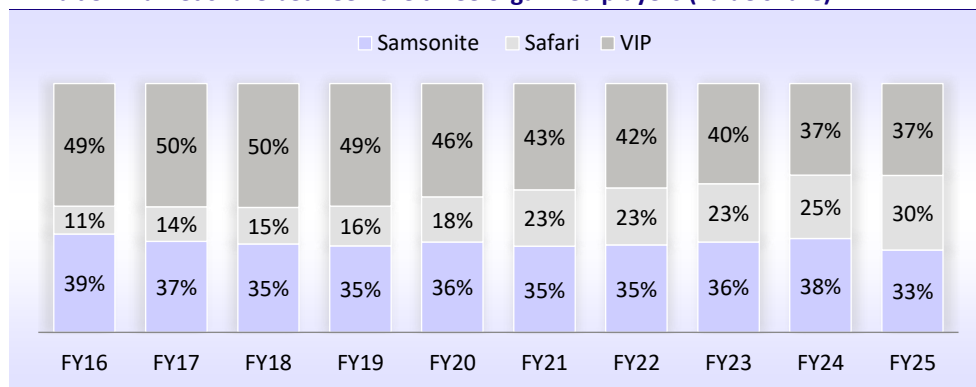
- The top three brands—VIP Industries, Samsonite, and Safari—together hold around 33% market share. This aligns with sources indicating these legacy and premium players dominate the organized, branded luggage segment, particularly in mid to premium-tier products.
- Other recognized brands such as Wildcraft, Mokobara, Delsey, and IT Luggage contribute approximately 19% of the market. These brands often target niche segments or specific consumer preferences, including smart and lifestyle oriented luggage.
- Despite a strong and steady shift towards branded luggage, unbranded players continue to command the largest share—about 48%—primarily in the soft luggage segment. This segment tends to rely heavily on imports and informal distribution channels, emphasizing price sensitivity and utility over brand and premium features.

Exhibit 4: Market share between the organized players - value-share (based on FY24 Revenue)



Source: Company, MOFSL

Exhibit 5: Market share between the three organized players (value share)

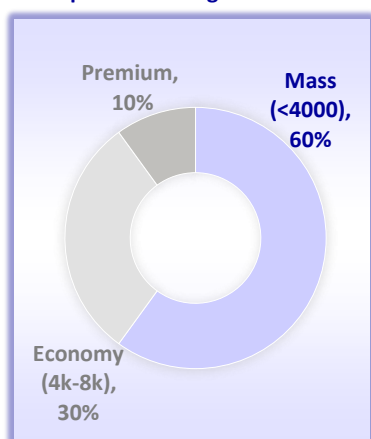


Source: Company, MOFSL

*SAM's FY25 revenue is considered as per MOFSL estimates

Mass dominates volumes, while mid-premium and premium categories drive aspirational, high-value growth.

ASP split – value segment



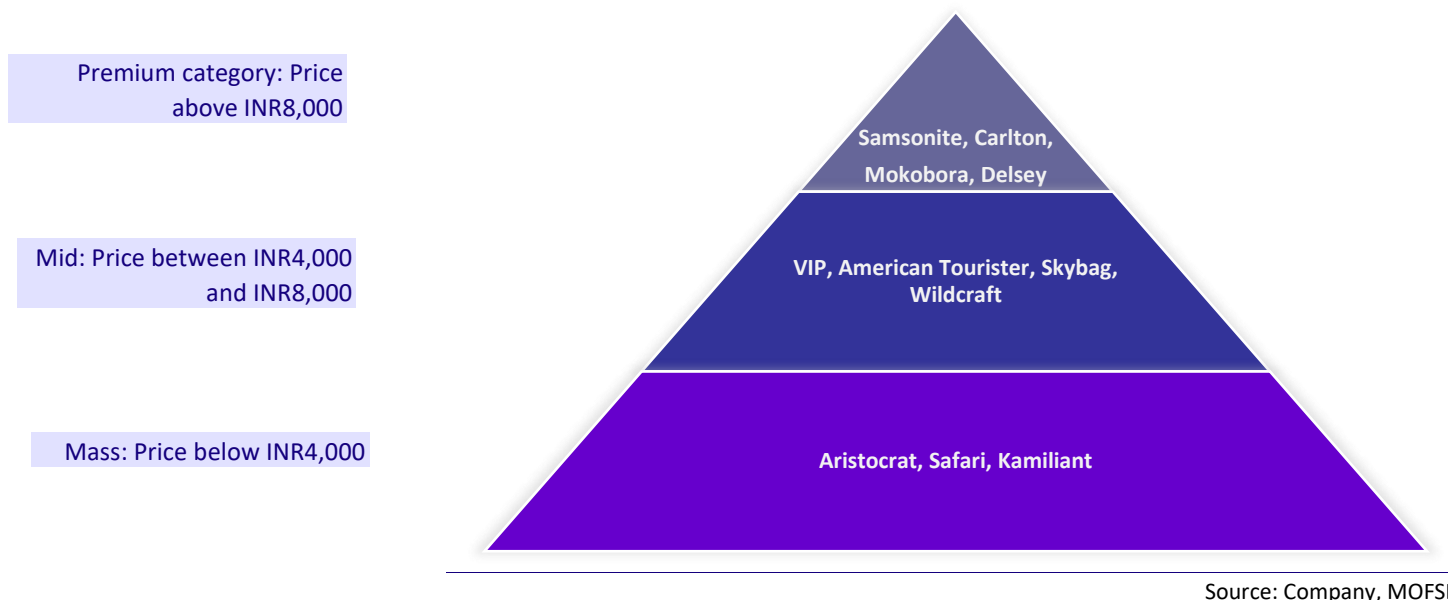
According to industry estimates, luggage and bags priced below INR4,000 hold the largest piece of the pie, with ~60% share (INR102b).

- **Mass category (below INR4,000):** Constitutes the largest segment by volume and value, accounting for approximately 60% of the market or around INR102b. This segment primarily serves price-sensitive consumers and includes unbranded and entry-level branded products, mostly offering basic utility and functionality. The mass segment offers the largest growth potential in the Indian luggage industry, with Safari, Aristocrat, and Kamiliant collectively holding approximately 30% market share. These brands are successfully driving the transition from unbranded to branded products by leveraging attractive discounts, robust after-sales support, and bundled luggage sets. Safari leads this category with a 16% share, while Kamiliant is rapidly gaining traction through aggressive marketing campaigns. Aristocrat continues to retain a strong foothold in this highly competitive space.
- **Mid-priced category (INR4,000 – INR8,000):** Represents roughly 30% of the industry. This segment targets aspirational consumers seeking better quality, durability, and some design/styling features, often including organized branded players like VIP, Safari, and emerging mid-premium brands. The mid-priced segment, accounting for around 30% of the market, is dominated by VIP Industries, which holds about a 21% market share through its well-established brands VIP and Skybags. Samsonite also maintains a significant presence in this

segment, with its American Tourister brand capturing approximately 19% of the market.

- **Premium category (above INR8,000):** Occupies about 10% of the market. This smaller but high-value segment caters to affluent, lifestyle-driven consumers who prioritize premium materials, advanced features (e.g., hard shells, smart tech), and strong brand equity. Key brands here are often multinational or established Indian premium labels. The premium segment, comprising the remaining 10%, is led by Samsonite, commanding a dominant 23% market share thanks to its premium product offerings, sophisticated aesthetics, and strong international after-sales service. Carlton holds around 8% share in this category, while emerging Direct-to-Consumer (D2C) brands such as Mokobara, Nasher Miles, and Uppercase have carved out a niche by delivering distinct value propositions that resonate with premium consumers.

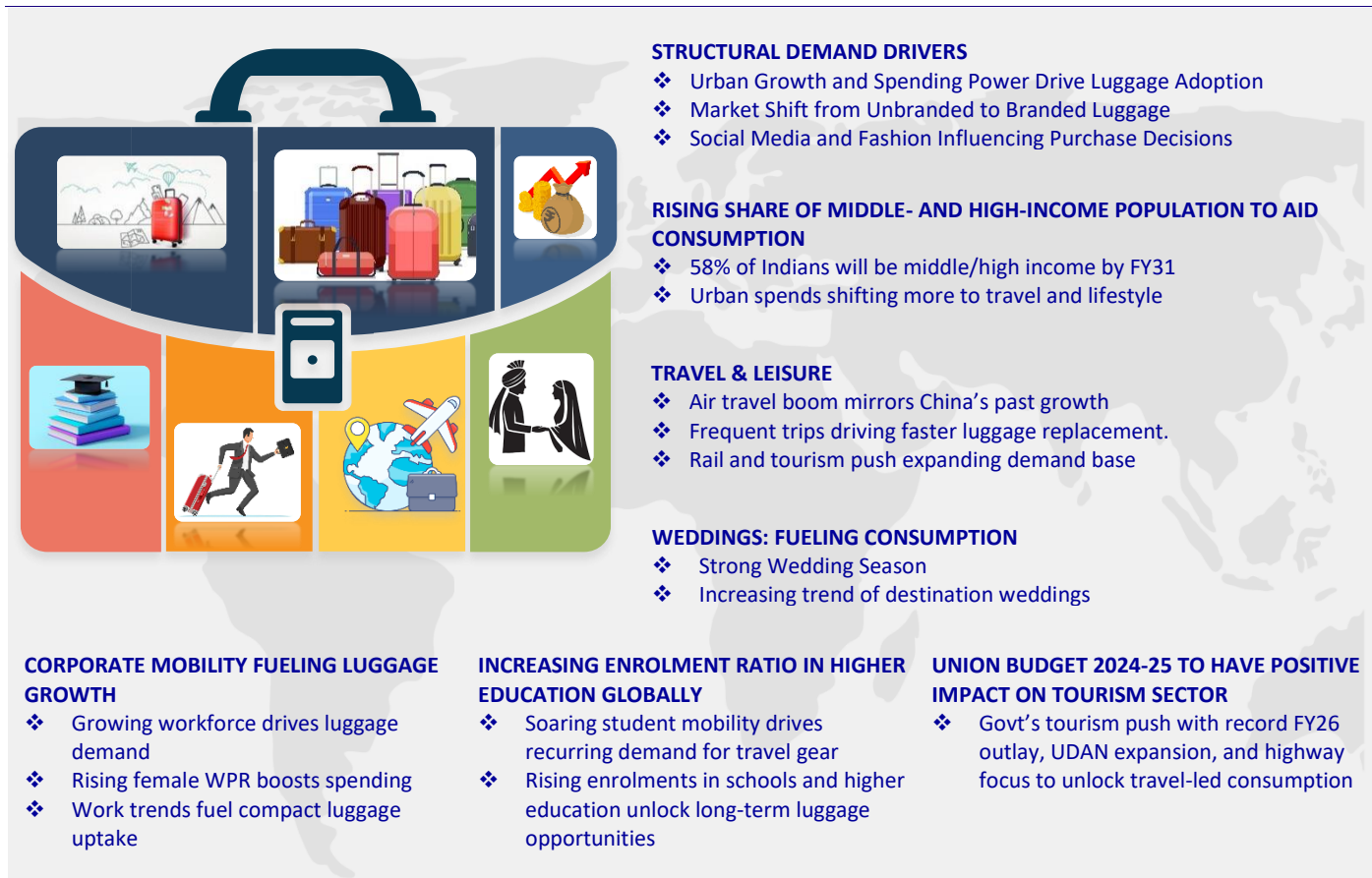
Exhibit 6: Brand positioning



Growth drivers shaping the Indian luggage industry

The Indian luggage market has recorded an 11% CAGR over the last decade, evolving from a price-driven utility category to a lifestyle-focused segment. Rising travel, education, and work migration, and shorter replacement cycles are boosting demand for branded, durable, and stylish luggage. Post-COVID, organized brands have gained market share as consumers prefer trusted names offering smart features and premium designs. Key growth is fueled by increasing domestic and international travel, student and corporate mobility, gifting occasions like weddings, and tech-enabled innovation, positioning the market for sustained expansion and premiumization.

Exhibit 7: Growth Drivers



Structural demand drivers for the Luggage industry

Luggage redefined: From utility to lifestyle

Luggage has evolved beyond a mere functional necessity to become a key lifestyle and fashion accessory. Increasingly, urban and semi-urban consumers prefer premium, stylish, and aesthetically appealing luggage that reflects personal identity and social status. This shift toward lifestyle-driven purchasing opens significant opportunities for brands to innovate with sleek, durable, and lightweight products that resonate with modern, style-conscious buyers. Catering to these aspirations enhances brand differentiation and fuels market growth in the organized luggage segment.

Urban growth and spending power drive luggage adoption

Rising discretionary spends boost branded luggage demand across urban and rural India.

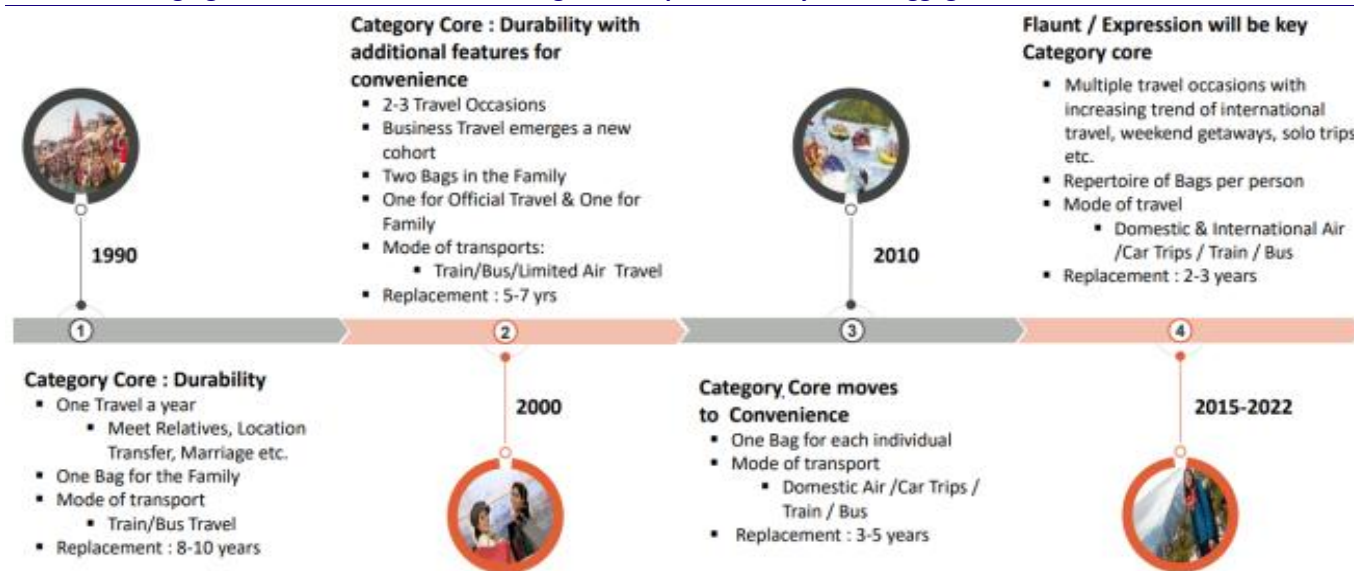
India's per capita consumption expenditure, which posted a 4.8% CAGR from FY14 to FY22, maintained a steady 6% growth rate when excluding pandemic years, indicating rising discretionary spending capacity. This increase is encouraging more frequent family travel, thereby expanding the luggage market's addressable base. Urban consumers are gravitating towards organized brands, drawn by superior quality, warranties, and innovative designs.

Simultaneously, semi-urban and rural markets are emerging as strong growth engines, fueled by rising aspirations, enhanced spending power, and improved access to branded products via media exposure and e-commerce platforms. These regions are driving robust demand, especially in the value and economy segments, presenting significant opportunities for market expansion.

Shorter replacement cycles

Rising consumer aspirations and the wider availability of affordable branded luggage are driving shorter replacement cycles. Shoppers, particularly in categories like soft luggage and backpacks, are upgrading more frequently to newer, stylish, and functionally enhanced products. This trend reflects a growing preference for trend-driven, versatile designs and supports recurring purchases, boosting volume growth and market dynamism.

Exhibit 8: Changing travel attitudes are influencing faster replacement cycles in luggage



Source: Company, MOFSL

Increasing penetration of organized players

The organized luggage segment, led by established brands like VIP, Safari, and Samsonite, is steadily gaining market share at the expense of unbranded and informal competitors. This shift is fueled by rising consumer preference for higher product quality, dependable after-sales service, and warranty assurance. As customers become more brand-conscious and demand greater reliability, industry consolidation is accelerating in favor of trusted, organized players, further professionalizing the market and driving growth in premium and mid-premium categories.

Lifestyle upgrades trigger premium luggage demand

India's luggage market is experiencing a significant transformation driven by rising purchasing power and evolving consumer mindsets. Economic growth and increased incomes have empowered consumers to spend more on travel accessories, with growing aspirations and exposure to global fashion and lifestyle trends fueling a preference for quality, durability, and stylish designs. This shift has increased the willingness to pay for branded and premium luggage products.

Consequently, demand is rising across multiple price segments, supporting robust expansion of the branded luggage market. Premium and mid-premium categories, in particular, are benefiting as consumers seek products that cater to both practical travel needs and serve as symbols of personal style and status.

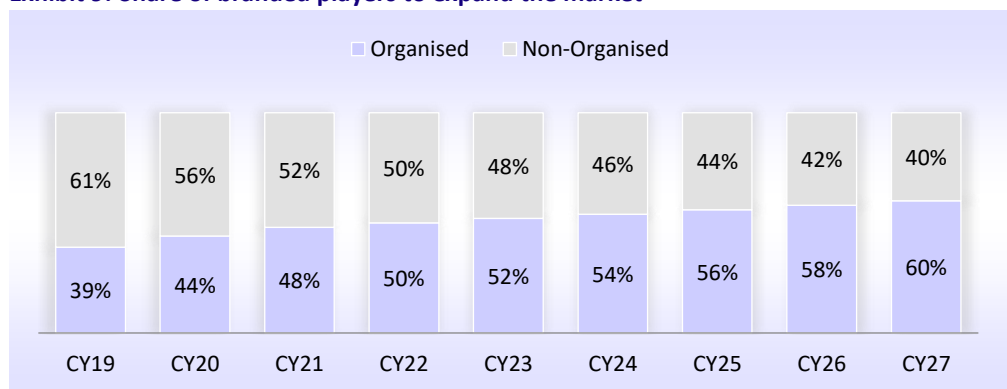
Branded luggage gains momentum as rising incomes drive quality-focused consumers.

Market shift from unbranded to branded luggage

India's luggage market is undergoing a significant transition, with consumers increasingly favoring branded products over unbranded alternatives. This shift is driven by rising disposable incomes, greater consumer awareness, and an emphasis on quality, durability, and warranty assurance. Leading brands such as VIP, Safari, and Samsonite, along with emerging players, are capitalizing on this trend by offering innovative designs that blend style and functionality.

Urban centers, where lifestyle aspirations and spending power are higher, are fueling accelerated adoption of branded luggage. Enhanced retail infrastructure, expanding e-commerce penetration, and growing consumer confidence are further fueling the organized segment's momentum. As consumers prioritize reliability and aesthetics, the market is witnessing steady consolidation in favor of trusted brands, signaling strong growth prospects for the branded luggage category.

Exhibit 9: Share of branded players to expand the market



Source: VIP Annual Reports, MOFSL

Premium luggage demand accelerates as young, affluent consumers seek lifestyle upgrades.

Premium luggage: The fastest-growing segment

India's luggage market is witnessing rapid growth in the premium segment priced at INR8,000 and above, led by brands like Samsonite, Mokobara, and Carlton. This segment is expanding strongly due to rising aspirations among urban and affluent consumers who seek superior quality, design, and durability. A key demographic driver is the influx of nearly 12m working-age individuals annually, predominantly Millennials and Gen Z, who favor branded and premium luggage reflecting their lifestyle and travel needs.

This premiumization trend is reinforced by growing disposable incomes, frequent travel, and a preference for stylish, durable products. Organized brands with strong after-sales service and warranty assurance continue to gain market share over unbranded alternatives, supported by expanding retail and e-commerce penetration.

Premium luggage in India reflects status, style, and self-expression, driven by aspirations, social influence, and digital culture

Social media and fashion influence purchase decisions

Indian consumers are increasingly drawn to premium luggage, not only for utility, but also as a symbol of status, identity, and personal style—especially among urban and aspirational segments.

- **Status and identity signaling:** Premium luggage is seen as a marker of success, often used to project wealth, accomplishment, and social standing. This reflects a pattern of conspicuous consumption where owning high-end products enhances one's image and credibility in peer and professional circles.
- **Desire for prestige and exclusivity:** Branded luggage is associated with superior craftsmanship, quality, and uniqueness. Consumers derive emotional value and self-esteem from owning exclusive pieces, elevating the purchase beyond functionality to one of aspiration and cultural sophistication.
- **Influence of social media and style influence:** Platforms like Instagram have turned luggage into a visible lifestyle statement. Aesthetics, design, and brand visibility now play a crucial role in consumer choices, particularly for Millennials who seek social validation and want to stand out in public spaces like airports or hotels.
- **Emotional fulfillment and reward:** Purchasing premium luggage often serves as a form of self-reward or emotional gratification—celebrating milestones or achievements. It resonates with consumers as a treat that reflects personal growth and accomplishment.
- **Peer influence and belonging:** The desire to fit into aspirational groups or mirror peer behavior also drives purchases. Urban professionals and youth, in particular, are influenced by their social environment when opting for premium products.

In essence, premium luggage is evolving into a lifestyle accessory—blending status, style, and self-expression—fuelled by rising incomes, social aspirations, and the growing influence of digital culture.

New trends in the industry

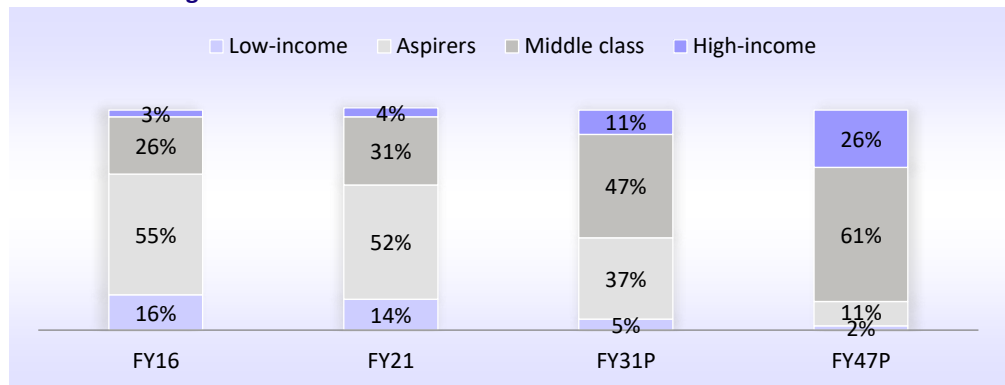
The luggage industry is undergoing a significant technological transformation, with smart luggage emerging as a key growth segment, especially in the premium category. In India, the smart luggage market is poised for rapid expansion, projected to grow at a CAGR of around 20% from 2025 to 2030, reaching nearly USD 245m in revenue by 2030. Globally, the smart luggage market was valued at about USD 1.5b in 2024 and is expected to grow robustly with a CAGR over 12% through 2033.

India's smart luggage market to grow 20% CAGR, reflecting rising tech-driven demand.

Rising share of middle- and high-income population in India

In India, the share of middle-class and high-income households rose from 29% (0.37b) in FY16 to 35% (0.5b) in FY21 and is projected to reach 58% (0.9b) by FY31, driven by rising per capita income.

Exhibit 10: Rising trend of middle-income households in India

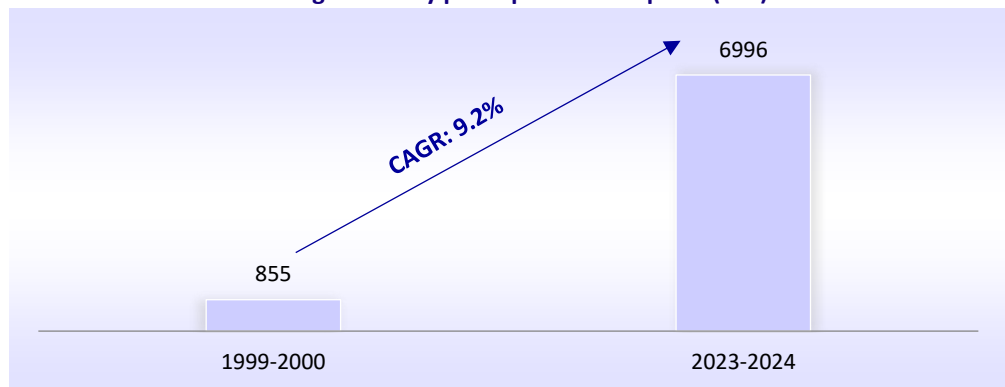


Source: People Research on India's Consumer Economy (ICE) 360° survey, CRISIL Intelligence, MOFSL

Rising incomes fuel discretionary spending

The 2023-24 Household Consumption Expenditure Survey (MoSPI) shows that in urban India, non-food spending—including travel, entertainment, and conveyance—rose to 60% of total expenditure (up from 57% in 2011-12), while in rural areas, it stood at 52%. Meanwhile, average urban monthly per capita consumption grew at a 9.2% CAGR, from INR855 in 1999-2000 to INR6,996 in 2023-24, reflecting a strong shift toward discretionary and luxury spending.

Exhibit 11: Growth in average monthly per capita consumption (INR)



Source: HVS ANAROCK Research; MoSPI Survey on Household Consumption Expenditure 2023-24, MOFSL

Higher income in urban areas directly leads to more premium luggage purchases in India by driving consumer preferences toward quality, brand, technology, and status—shifting demand away from basic, utility-driven products, while rural and semi-urban markets tend to have lower disposable incomes, and consumers there are generally more price-sensitive, prioritizing affordability and functionality over brand and styles.

- **Rising disposable income fuels premiumization:** Urban affluence results in consumers prioritizing quality over price, favoring luggage made from premium materials (polycarbonate, leather, and aluminum) and featuring advanced

design elements such as Transportation Security Administration (TSA) locks and lightweight construction.

- **Brand-conscious and aspirational lifestyles:** Urban buyers exhibit greater brand consciousness, associating well-known luggage brands (like Samsonite, Tumi, and American Tourister) with durability, prestige, and trust. This link between brand and social status is especially influential among upwardly mobile professionals and youth.
- **Luggage as a lifestyle and status symbol:** For many urban travellers, luggage has become an extension of their personal style, a status symbol—reflecting their sophistication, aspirations, and global exposure. Sleek, designer-inspired, and exclusive luggage lines are increasingly sought after.
- **Demand for innovation and smart features:** Higher incomes create demand for smart luggage with features such as GPS tracking, USB charging ports, and app-based connectivity. These are viewed as essential by frequent business and luxury travelers in urban centers, not mere add-ons.
- **Influence of e-commerce and global travel:** Urban consumers have better access to premium brands via e-commerce, and frequent international travel exposes them to global trends, reinforcing their willingness to spend on exclusive, feature-rich luggage.
- **Sustained luxury spending:** Survey data indicate that high-income urban groups spend a significant portion of their income on luxury products despite economic slowdowns, with luggage being one of the visible, practical luxury investments.

Exhibit 12: Luggage buying behavior across different income segments

Income level	Luggage buying behavior
High	❖ Strong preference for luxury and branded luggage; driven by design, features, and status.
Upper-Middle	❖ Aspirational buyers opt for stylish, trendy branded luggage as a status symbol.
Middle	❖ Focus on quality and durability; prefer established, reliable brands.
Lower-Middle	❖ Mix of budget and entry-level branded products; increasing brand aspiration.
Low	❖ Highly price-sensitive; prioritizes basic utility and unbranded or local options.

Source: Company, MOFSL

Social status factors motivate consumers to buy premium luggage

Indian consumers are motivated to buy premium luggage primarily due to social and status factors related to prestige, self-expression, and peer acceptance.

- **Status signalling and social identity:** Owning premium luggage serves as a clear marker of social status and success. Many urban consumers purchase luxury luggage to project wealth, achievement, and aspiration, helping them carve out a distinct social standing among peers and society. This "conspicuous consumption" reflects a desire to be perceived as prosperous and sophisticated.
- **Desire for prestige and exclusivity:** Premium luggage brands are associated with exclusivity, superior craftsmanship, and quality. Buyers derive emotional satisfaction and enhanced self-esteem from owning such goods, which symbolize refinement and cultural capital beyond mere functionality. The value placed on brand recognition and rarity fuels this motivation.
- **Influence of social media and peer validation:** Urban consumers, especially younger Millennials, are exposed to luxury lifestyles on platforms like Instagram. Social media reinforces the importance of aesthetics, trendy designs, and

Urban Indian consumers buy premium luggage driven by social status, prestige, self-expression, peer validation, aesthetic appeal, and emotional gratification, reflecting success and lifestyle identity.

distinctive bags as fashion accessories, motivating purchases to gain acceptance and admiration within social circles. Travelers often showcase their luggage as part of their lifestyle identity.

- **Expression of personal style and sophistication:** Luggage has evolved into a fashion statement rather than just a utility item. City dwellers seek luggage that complements their style, reflects their personality, and stands out in travel settings like airports or hotels. Brands collaborate with designers and influencers to meet this desire.
- **Emotional gratification and reward:** The purchase of premium luggage also fulfils emotional needs such as pride, happiness, and self-reward after professional or personal achievements. Luxury purchases resonate as “treats” aligned with one’s accomplishments, reinforcing a positive self-image.
- **Peer acceptance and social influence:** The need to fit in or be accepted by one’s social group drives some consumers to buy premium goods, including luggage. This social motivation is particularly strong among urban professionals and aspirational youth.

To summarize, urban consumers purchase premium luggage not only for its functional value but also as a symbol of success, identity, and social belonging, influenced strongly by the desire for prestige, aesthetic appeal, and validation from their social environment.

Exhibit 13: Showcasing wealth through luggage

Aspect	Effect of personal image
Status Symbol	❖ Increases perception of success and prestige
Peer Acceptance	❖ Enhances social standing within groups
Personal Branding	❖ Projects, style, discernment, global exposure
Social Media Impact	❖ Shapes an aspirational, cosmopolitan identity
Risk	❖ Potential for being seen as ostentatious

In essence, affluent consumers believe that flaunting premium luggage in the city typically builds a positive aspirational image signifying success, taste, and social standing, so long as it is aligned with their personal style and context.

Surging travel and leisure trips propel market expansion

Domestic tourists

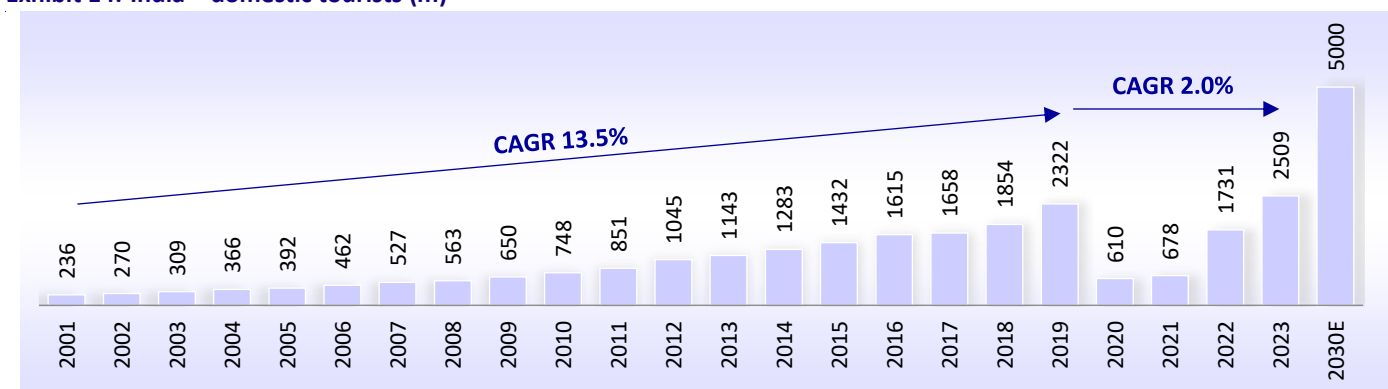
The domestic travel market in India is experiencing robust growth, strongly propelling expansion in related sectors such as the luggage industry. Key points:

- As per ministry of tourism, domestic tourist visits grew from 236m in 2001 to 2.3b in 2019, at a CAGR of 13.5%, and further rose to approximately 2.51b in 2023—surpassing pre-COVID levels by 8%.
- Major growth drivers include leisure travel, weddings, MICE (Meetings, Incentives, Conferences, and Exhibitions), staycations, remote work-related trips, social visits, and pilgrimages.
- Projections by Booking.com–McKinsey estimates indicate that domestic visits will reach 5b by 2030, while HAI forecasts a longer-term surge to 15b by 2047, reflecting sustained market expansion.

- The Indian government and tourism sector have heavily invested—around USD1b in infrastructure—to enhance tourist experiences and accessibility, further fueling demand.
- This surge in travel activity is directly benefiting the luggage industry, as rising discretionary spending on travel necessitates increased demand for travel gear and accessories.

Thus, growing domestic travel volumes and diversifying trip purposes are key factors driving ongoing growth and future potential in India's luggage market. The post-COVID rise in travel for leisure, weddings, and remote work especially underpins near-term momentum.

Exhibit 14: India – domestic tourists (m)

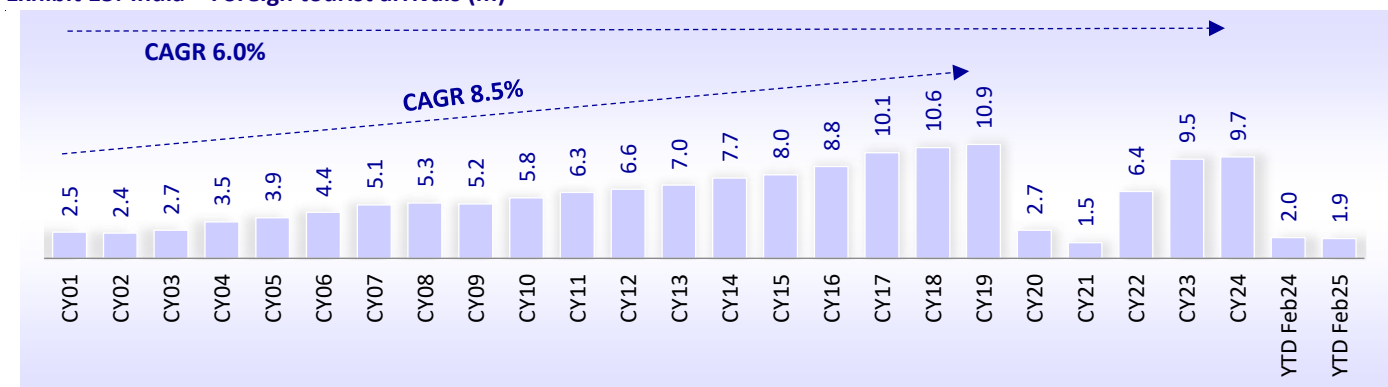


Source: Ministry of Tourism, Govt. of India estimates, Booking.com, and McKinsey- How India Travels 2023 Report, MOFSL

Foreign tourist arrivals

As per ministry of tourism, Foreign Tourist Arrivals (FTA) in India are rapidly recovering, rising from 6.4m in 2022 to an estimated 9.7m in 2024. This rebound, driven largely by leisure, MICE, and high-end seasonal events, is boosting demand for durable and stylish luggage, particularly in the premium and mid-premium segments. Coupled with strong domestic travel growth, the resurgence in inbound tourism is fueling robust expansion in the organized luggage market, benefiting both established brands and new entrants.

Exhibit 15: India – Foreign tourist arrivals (m)



Source: Ministry of Tourism, Govt. of India estimates, Booking.com, and McKinsey- How India Travels 2023 Report, MOFSL

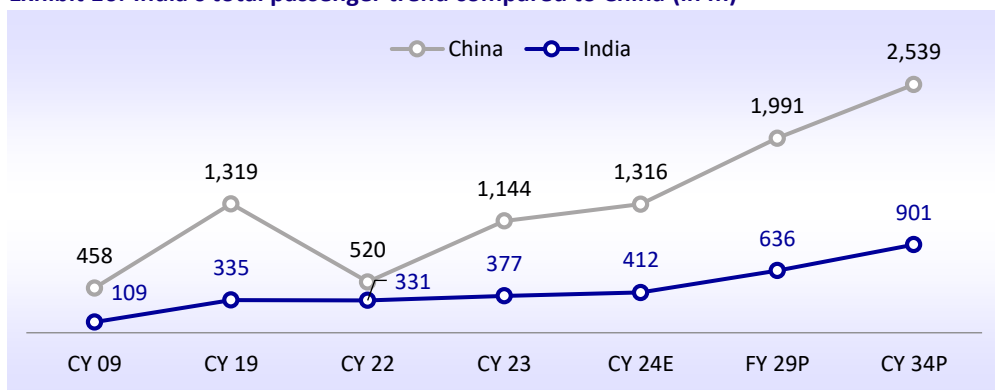
India inched up to become the third-largest aviation market globally

India is currently the third-largest aviation market globally, having surpassed key countries in passenger traffic, according to multiple recent reports in 2025. In calendar year 2023, India's combined air passenger traffic (enplanements and deplanements) matched that of China around 2008, marking a similar stage of rapid growth compared to that period.

India's domestic air passenger traffic growth closely mirrors China's 11.2% CAGR from 2009 to 2019, driven by rising per capita income and economic development, positioning India at an inflection point for accelerated air travel expansion. Industry data shows consistent double-digit growth in domestic and international passenger volumes through early 2025, with a 7-10% expected CAGR for the coming years, and airlines such as IndiGo are leading the sector with substantial market share.

This strong growth trajectory highlights a large untapped potential for air travel in India, which acts as a major catalyst for travel and tourism ecosystems, including sectors like luggage and travel accessories. The expansion of airports (with plans for over 150 airports underway), a rising middle class, and government infrastructure investments support this rapid uptrend.

Exhibit 16: India's total passenger trend compared to China (in m)



Source: ACI, ICAO, CRISIL Intelligence, MOFSL

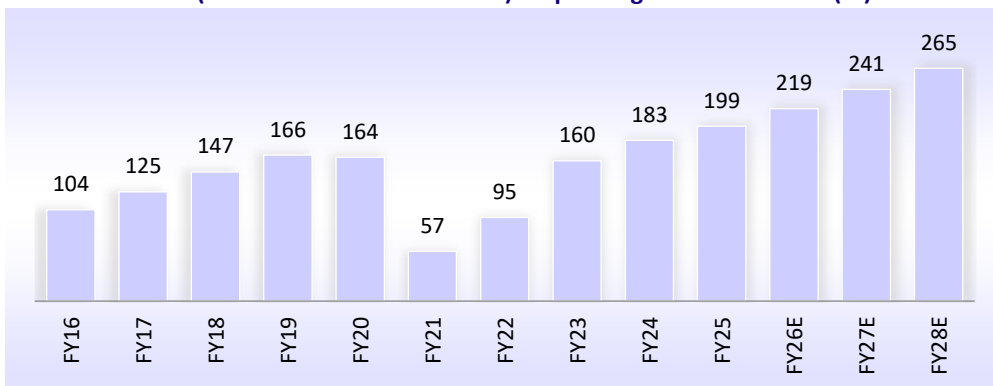
Surging travel trends propel luggage market expansion

- The Indian luggage industry is poised for sustained growth, driven by strong structural demand and a post-Covid rebound in travel. Total air passenger traffic, a key travel indicator, increased to 199m in FY25 from 166m in FY19. Although the industry recorded a robust ~13.5% CAGR between FY16 and FY20, growth tempered to a ~3.2% CAGR during FY20-FY25 due to pandemic-induced disruptions and a high base effect. This slowdown, however, conceals an underlying transformation in travel behavior and a rapidly widening consumer base.
- Rising disposable incomes, expanding middle-class aspirations, increased regional tourism, and the growth of budget airlines have democratized travel, extending it to Tier 2 and Tier 3 cities. The resurgence of train travel and a preference for shorter, more frequent trips have further boosted luggage demand. These evolving travel patterns are shortening luggage replacement cycles, driving recurring purchases.
- Additionally, luggage is increasingly viewed as a lifestyle accessory rather than a mere utility. Urban consumers are gravitating towards branded, premium, and

India's luggage industry grows with rising travel, middle-class aspirations, and premiumization, as luggage shifts from utility to lifestyle accessory.

feature-rich products that express personal style and status. This shift is accelerating the formalization of the market, with growing premiumization fueled by digital media exposure, social influencers, and global travel trends.

Exhibit 17: Total (domestic and international) air passenger traffic in India (m)



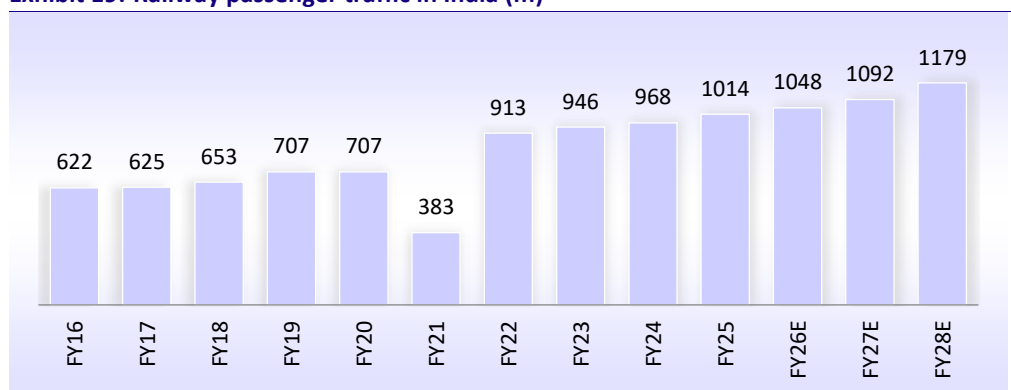
Source: DGCA, Skift India (projecting 10% CAGR over FY25-40E), MOFSL

Exhibit 18: Correlation between the revenue of the luggage companies and traffic (air & railway)

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Total Air Passengers (m)	104	125	147	166	164	57	95	160	183	199
YoY Growth (%)		19.9	18.1	13.0	-1.5	-65.4	68.1	67.9	14.6	8.7
Total Railway Passengers (m)	622	625	653	707	707	383	913	946	968	1014
YoY Growth (%)		0.5	4.5	8.3	0.0	-45.8	138.4	3.6	2.3	4.8
Revenue of luggage companies (INR m)										
VIP	12,165	12,752	14,163	17,847	17,183	6,186	12,895	20,823	22,450	21,784
Safari	2,785	3,587	4,202	5,777	6,859	3,280	7,057	12,120	15,504	17,716
Samsonite	9,748	9,412	10,093	12,612	13,681	5,007	10,796	18,825	22,988	19,500
Revenue growth of luggage companies (%)										
VIP		4.8	11.1	26.0	-3.7	-64.0	108.5	61.5	7.8	-3.0
Safari		28.8	17.1	37.5	18.7	-52.2	115.2	71.7	27.9	14.3
Samsonite		-3.4	7.2	25.0	8.5	-63.4	115.6	74.4	22.1	-15.1

Source: Company, MOFSL

Exhibit 19: Railway passenger traffic in India (m)



Source: Company, MOFSL

Rising travel frequency and a supportive tourism ecosystem fueling demand

Urban consumers are increasingly embracing shorter, more frequent weekend getaways, boosting demand for compact, stylish, and functional luggage. With multiple trips per year becoming common—whether for leisure, business, or

personal reasons—luggage replacement cycles are shortening, resulting in deeper market penetration and recurring purchases.

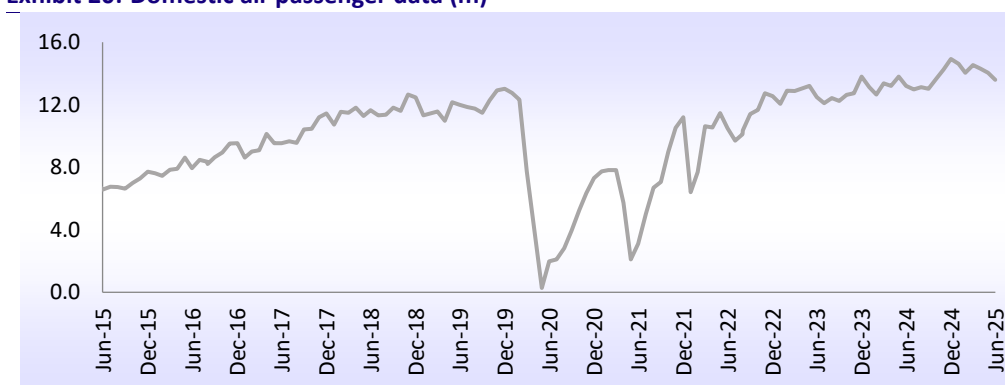
This evolving consumer behavior is strongly supported by government tourism initiatives like the "Dekho Apna Desh" campaign, the expansion of regional airports, and improved rail connectivity. These efforts are making travel more accessible and driving consistent growth in demand for travel-related products, particularly luggage.

Key trends include:

- Weekend trips and leisure travel: The rise of compact, versatile luggage catering to quick getaways.
- Multiple trips per individual: Frequent travel accelerates luggage replacement and household adoption.
- Tourism initiatives: Infrastructure development and promotional campaigns stimulating travel and associated consumption.

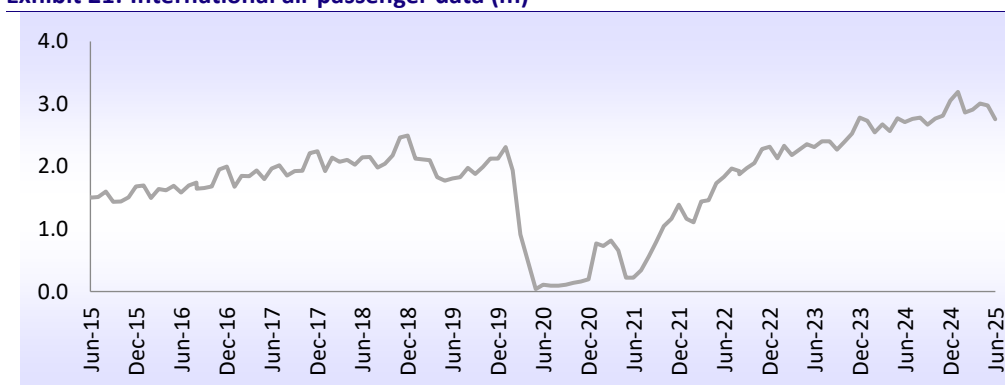
Together, these factors underscore a robust and sustained growth outlook for the Indian luggage market.

Exhibit 20: Domestic air passenger data (m)



Source: Company, MOFSL

Exhibit 21: International air passenger data (m)



Source: Company, MOFSL

Weddings: Fueling consumption in the Indian luggage market

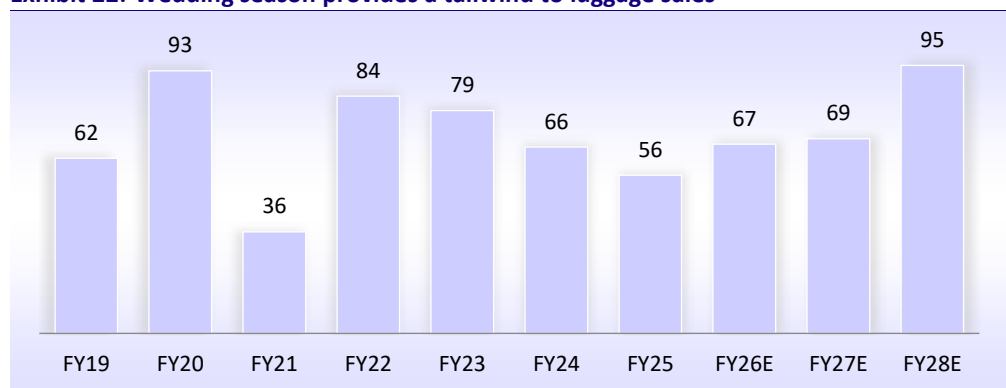
Weddings in India are significant consumption events deeply rooted in tradition and gifting, prominently driving demand for premium luggage to accommodate trousseaus and family gifting. The rise of destination weddings—with popular venues such as Udaipur, Jaipur, and Jaisalmer in Rajasthan and Goa domestically,

and Thailand, Bali, and Dubai internationally—has further increased travel needs and luggage purchases.

According to the Hindu wedding calendar (Drik Panchang), FY26 will feature around 67 auspicious wedding dates—a 20% year-on-year increase—with FY28 projected to peak at about 95 dates, providing clear visibility into cyclical but predictable demand. The Confederation of All India Traders estimates ~4.8m weddings occurring just in the busy November–December season, contributing to a market opportunity worth INR6,000b.

This seasonal but recurring demand offers organized luggage players stable growth prospects, fueled by increased travel for weddings, gifting, and the premiumization trend aligned with evolving consumer aspirations.

Exhibit 22: Wedding season provides a tailwind to luggage sales



Source: Company, MOFSL

Corporate mobility powering luggage growth

India's working-age population is expanding rapidly, driven by a demographic shift characterized by a sizable youth cohort. Between 2018 and 2030, ~12m individuals are being added annually to the workforce, increasing the share of the working-age population from 66.7% to an estimated 68.4% by 2030.

This rising workforce is boosting corporate mobility, leading to increased business travel and frequent commuting, which in turn fuels demand for durable, functional, and stylish luggage tailored to professionals. Growing corporate travel needs, combined with evolving work patterns such as remote and hybrid models, are driving sustained growth opportunities for the luggage market, particularly in premium and business-oriented segments.

Exhibit 23: Population age structure analysis, India, CY05-30 (%)

Year	2005	2018	2022	2030
0-14 Years of Age (Children)	32.7%	27.1%	25.3%	23.0%
15-64 Years of Age (Working Population)	62.5%	66.7%	67.8%	68.4%
65 and above (Elderly)	4.7%	6.2%	6.9%	8.6%
Country Population	1.15b	1.37b	1.42b	1.51b

Source: Frost & Sullivan, MOFSL

India's youthful, mobile workforce drives demand for functional, stylish luggage, boosting urban and semi-urban premium segments.

Youthful workforce and corporate mobility stimulating demand

India's large, youthful working-age population presents a significant growth opportunity for the luggage industry. Rising disposable incomes coupled with increased mobility for work, education, and leisure are expanding demand for both affordable and branded luggage. A nearly equal male-to-female population balance ensures a broad and balanced customer base. Urban and semi-urban markets, in particular, benefit from rising lifestyle aspirations and more frequent travel. The rebound in corporate travel, alongside the normalization of hybrid work models, has accelerated demand for stylish yet functional luggage. Professionals increasingly prefer products tailored to their dynamic routines—such as laptop bags, compact trolleys, and work-appropriate backpacks—creating a fast-growing segment marked by strong brand loyalty and shorter replacement cycles.

Exhibit 24: Increased demand for backpacks and stylish luggage, such as laptop bags



Source: Company, MOFSL

Rising share of women in the worker population ratio

Rising female workforce participation boosts household incomes, purchasing power, and overall economic growth in India.

India has seen a notable rise in the female Worker Population Ratio (WPR) and Female Labor Force Participation Rate (FLFPR) between FY18 and FY24, driven especially by rural participation. FLFPR increased from ~23-24% in 2017-18 to ~35.6% by 2023-24, with rural FLFPR nearly doubling from 23.5% to about 42.8% and urban FLFPR rising more modestly from ~20.4% to 25.4% over the same period. This upward trend in female workforce participation corresponds with growth in the working-age female population (15–64 years).

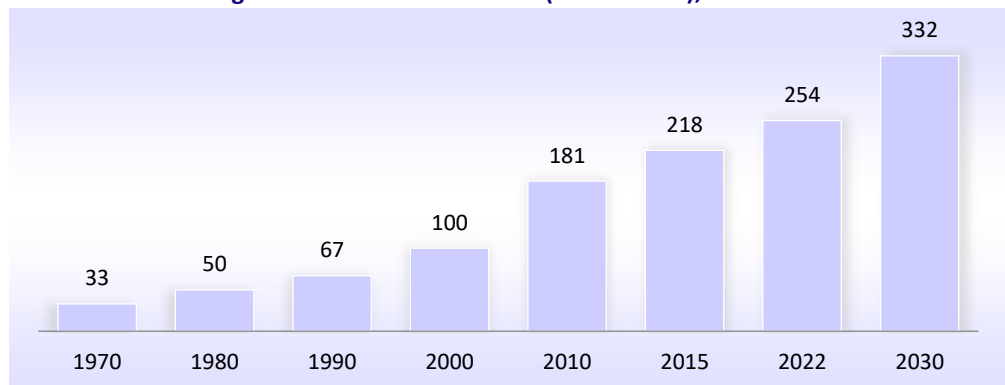
The increase in female workforce participation is expected to enhance household disposable incomes significantly, contributing to broader economic development by expanding dual-income households and increasing overall purchasing power. Greater female employment, combined with rising education levels and government initiatives supporting women's economic engagement, strengthens private consumption and socioeconomic resilience.

Increasing enrollment ratio in higher education globally

Global higher education enrollment has surged dramatically, rising from around 33m students in 1970 to 254m in 2022. This growth is driven by heightened individual aspirations for advanced skills, expanding demand for skilled labor in knowledge-based economies, and improved access enabled by technology. Emerging markets, in

particular, have witnessed robust enrollment increases, fueled by a growing middle class investing in education to boost upward mobility and career opportunities.

Exhibit 25: Global higher education enrollments (1970 – 2030), in m

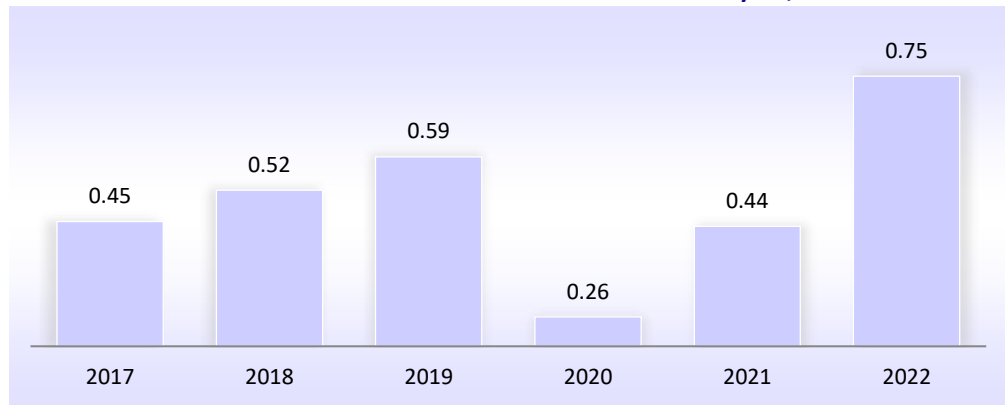


Source: OECD / UIS / Eurostat (2023), Frost & Sullivan Analysis, MOFSL

Indian students studying abroad

In 2022, around 0.75m Indian students travelled abroad, up from 0.45m in 2017. Leading destinations include the US, Canada, and the UK, with growing interest in countries like Germany, Ireland, and Australia due to affordable education and favorable policies. Key drivers are limited seats in India, global degree recognition, career prospects, and scholarships. This trend reflects the expanding Indian middle class investing in global education and career opportunities.

Exhibit 26: Number of Indian students who travelled abroad each year, in m



Source: Frost & Sullivan analysis, MOFSL

The revival of educational activities is indeed driving renewed demand for travel gear such as backpacks, duffel bags, and trolleys in India. Key factors include:

- Frequent occasions related to education, such as hostel stays, school trips, and university admissions, create consistent purchasing and replacement cycles.
- Rising household incomes are prompting parents to prefer well-designed, branded products that emphasize durability and comfort, especially in the mid-premium segment.
- Students form a large, predictable, and recurring customer base, underpinning stable demand in this category.
- This segment benefits from structural demographic trends like increasing enrollment, expanding middle-class incomes, and growing emphasis on branded, quality travel accessories.

Exhibit 27: School bags

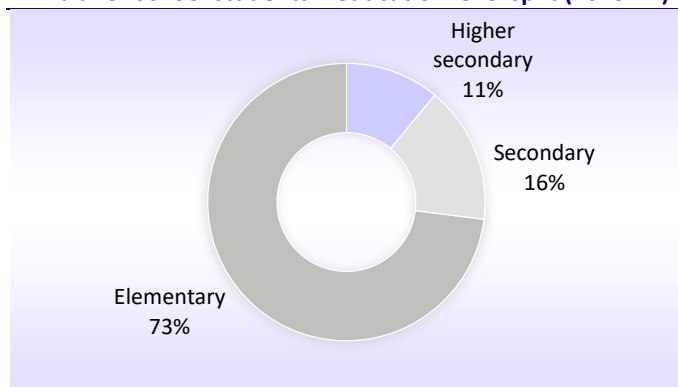


Source: Company, MOFSL

Student population across education levels in India

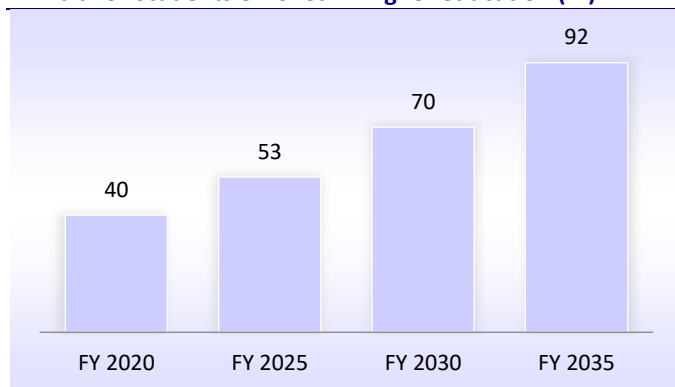
India has an estimated 235m school students, with ~73% enrolled in elementary education, 16% in secondary, and 11% in higher secondary education. In higher education, student enrollment was about 40m in FY2020 and is projected to more than double, reaching around 92m by FY2035. This substantial and growing student base presents significant opportunities for segments such as travel gear—including backpacks, duffle bags, and trolleys—driven by consistent demand cycles and increasing preference for branded, durable products.

Exhibit 28: School students – education level split (2023-24)



Source: Ministry of Education; Unified District Information System for Education; Data as at 31st March 2024, MOFSL

Exhibit 29: Students enrolled in higher education (m)



Source: India Brand Equity Foundation; US Department of Education; Various sources (UGC, Aishe, and NEP), MOFSL

Union Budget 2024-25: Boosting tourism infrastructure and connectivity

The Union Budget 2024-25 places a strong emphasis on tourism development through key initiatives such as Swadesh Darshan (theme-based circuits) and PRASHAD (pilgrimage site development), alongside enhanced support for central tourism agencies. A major focus is on improving connectivity across road, rail, and air modes to facilitate seamless travel.

The revamped UDAN scheme plans to add 120 new destinations, including remote and Northeastern regions, expanding air accessibility. In Bihar, both greenfield and brownfield airport projects are underway to meet growing demand.

Additionally, the Ministry of Road Transport and Highways has allocated INR2,873b for FY26, with 59% dedicated to the National Highways Authority of India (NHAI) to accelerate expressway and highway development nationwide.

These budgetary commitments are set to significantly enhance travel infrastructure, stimulate regional tourism, and support sustained growth in related sectors such as the luggage market.

Exhibit 30: Allocations for various sectors under the Union Budget 2025-26

Sector	FY24 (INR b)	FY25 RE (INR b)	FY26 BE (INR b)	FY24 vs FY25RE (%)	FY25RE vs FY26BE
Tourism Sector	8.0	8.5	25.4	6.1%	198.8%
Roads transport and highways	2,759.9	2,805.2	2,873.3	1.6%	2.4%

Source: Budget document, CRISIL Intelligence, MOFSL

*BE – Budget estimate, RE – revised estimate

Regional differences influencing growth in India's luggage industry

Regional market dynamics

India's luggage industry growth varies significantly by region due to economic, demographic, and infrastructural differences.

- The luggage industry in India is led by the West and North due to better infrastructure, affluence, and urbanization. The South is closing the gap rapidly, driven by travel infrastructure and professional migration.
- The East and Northeast offer future growth potential as e-commerce expands and aspirational consumers seek branded, affordable luggage options.
- These regional dynamics shape both the pace and nature of growth across India's diverse luggage market.

Product and consumer preference differences

- West and North India: Prioritize branded, premium, and designer luggage for frequent international and business travelers. Organized retail and exclusive brand outlets are more common.
- South India: High demand for business and travel bags, tech-friendly (RFID, charging ports), and compact luggage for professionals and air travelers.
- Eastern region and Tier II/III cities: Greater focus on value for money, durability, and functional attributes, with increasing preference for branded products due to rising disposable incomes and lifestyle.

Exhibit 31: Trends across various regions

Region	Key influences	Growth trends
West	❖ Most affluent, highly urbanized ❖ Well-developed retail ❖ Major business hubs (Mumbai, Pune)	✓ Largest market share in India ✓ Strong demand for premium & branded luggage ✓ Entry point for international brands
North	❖ Urban centers (Delhi NCR) ❖ High population density ❖ Expanding retail	✓ Fast expansion of brick-and-mortar stores ✓ Growth fueled by student and workforce mobility ✓ Increasing demand for both affordable and premium products
South	❖ High air connectivity ❖ Growing IT and start-up culture ❖ Major metro cities (Bengaluru, Chennai, Hyderabad)	✓ Surge in airline-compliant luggage demand ✓ Expanding air travel infrastructure ✓ Start-up and professional segment drives demand for business bags and tech-integrated designs
East	❖ Slower urbanization ❖ Emerging middle class ❖ Less developed retail	✓ Comparatively lower growth ✓ Rising market due to increasing aspirational consumer base and online penetration ✓ Gradual shift toward organized and branded products
North-East	❖ Geographically less accessible ❖ Lower retail infrastructure	✓ Modest market presence ✓ Growth expected as connectivity and e-commerce penetration improve

Source: Company, MOFSL

Exhibit 32: Regional growth influences

Region	Urbanization	Affluence	Retail Penetration	Demand Focus	Key drivers
West	High	High	Strong	Premium, branded goods	Economic activity, international business, and luxury retail
North	High	Medium	Increasing	Student, family, value	Urban growth, migration, rise in workforce mobility
South	Medium-High	High	Rapidly Growing	Tech/business bags, air travel	Air connectivity, start-up growth, and infrastructure investments
East	Moderate	Low-Medium	Emerging	Value, Utility	Online sales, a rising middle class, and gradual urbanization

Source: Company, MOFSL

Evolving dynamics in India's luggage market

The Indian luggage market is undergoing a significant transformation, driven by evolving consumer habits, technology-enabled products, increased travel, and the emergence of both traditional and direct-to-consumer (D2C) brands. While legacy brands are reinventing themselves to stay relevant amid agile newcomers and changing fashion preferences, D2C brands with strong online presence have gained incremental consumer traffic, resulting in a higher share of sales contribution.

India's luggage industry, historically dominated by legacy players like VIP Industries, Samsonite, and Safari, is indeed undergoing a notable shift in its competitive structure. These established companies have traditionally leveraged strong brand equity, extensive distribution networks, and large-scale operations to maintain dominant market shares in the formal, organized segment.

However, the market is increasingly fragmented and adopting characteristics of more perfect competition due to several factors:

Key factors driving this transition include:

- **Entry of new players:** The market is attracting numerous new entrants, ranging from domestic startups to global challengers, offering diversified product portfolios and targeting niche segments.
- **Aggressive pricing:** Heightened competition is pushing brands to adopt aggressive pricing strategies, making quality luggage more affordable and accessible to a wider consumer base.
- **Consumer value sensitivity:** Increasing consumer awareness and sensitivity to value—spanning price, quality, design, and after-sales service—are encouraging buyers to explore alternatives beyond traditional brands.
- **Digital disruption:** E-commerce growth and enhanced retail penetration have democratized product availability across urban, semi-urban, and rural markets, accelerating market fragmentation.
- **Innovation and agility:** Legacy players face mounting pressure to innovate rapidly, refine pricing, and respond with greater agility to evolving consumer preferences and market trends.

While VIP, Samsonite, and Safari remain influential incumbents, their dominance is challenged by a more diverse and competitive ecosystem. This evolution benefits consumers with broader choices and value-driven offerings, signaling maturation of the Indian luggage sector toward a competitive equilibrium characterized by freer market entry, price competition, and innovation-led differentiation.

Rising disruption from D2C-first challengers

The Indian luggage market is witnessing intensifying competition fueled by strong disruption from D2C-first challengers alongside well-established brands such as American Tourister, Aristocrat, Skybags, and Wildcraft. Digitally native brands like Uppercase, ICON, Mokobara, and Nasher Miles are carving out significant market share by offering stylish, tech-enabled, and sustainable luggage at competitive

prices. These brands leverage direct consumer engagement and agile online business models, enabling rapid innovation and tailored offerings.

Meanwhile, private-label luggage from e-commerce giants like Amazon Basics and Flipkart SmartBuy adds further pressure on legacy players by providing value-driven alternatives directly to consumers. This evolving landscape is fragmenting the market and intensifying price competition, compelling incumbents such as VIP Industries, Samsonite, and Safari to accelerate innovation, diversify product portfolios, and enhance customer experience.

As a result, consumers benefit from a wider range of choices across premium and affordable segments, while the overall market experiences faster growth driven by innovation, accessibility, and evolving travel lifestyles.

E-commerce: Unlocking D2C access

The rise of digital marketplaces like Amazon, Flipkart, and Myntra has significantly transformed the Indian luggage market by enabling emerging and lesser-known brands to access a broad and discerning consumer base. Today's consumers seek luggage that seamlessly combines quality, functionality, and style while remaining affordable. The growth of online retail and direct-to-consumer (D2C) models has improved price transparency and intensified competition, putting significant pressure on legacy players' margins. This digital expansion is democratizing access to diverse product offerings, accelerating market fragmentation, and driving innovation that delivers enhanced value across segments. As a result, consumers benefit from a wider range of choices tailored to evolving travel lifestyles and preferences.

Enhanced operations boosting quality across price tiers

Improved manufacturing and supply chain efficiencies—through contract production hubs in China, Vietnam, and India—have empowered smaller luggage brands to deliver high-quality products that increasingly rival legacy players. This narrowing quality gap has intensified market competition, compelling established companies like VIP Industries, Safari, and Brand Concepts to scale up their production capacities and optimize operations.

At the same time, rising price sensitivity and declining brand loyalty among consumers have shifted market dynamics toward a more value-driven landscape. This trend has eroded incumbents' pricing power and pushed the industry toward a competitive equilibrium characterized by heightened price competition across diverse product tiers.

Exhibit 33: HRX single suitcase



Sponsored

HRX by Hrithik Roshan

Large Check-in Suitcase (75 cm)...



₹2,399 ~~₹13,999~~ **82% off**

Exhibit 34: HRX suitcases – set of 3



Sponsored

HRX by Hrithik Roshan

Hard Body Set of 3 Luggage 8 ...



₹4,999 ~~₹34,999~~ **85% off**

Exhibit 35: Kamiliant Single suitcase



Kamiliant by American Tourister

Large Check-in Suitcase (78 cm)...



₹2,499 ~~₹12,485~~ **79% off**

Exhibit 36: Kamiliant suitcases – set of 3



Sponsored

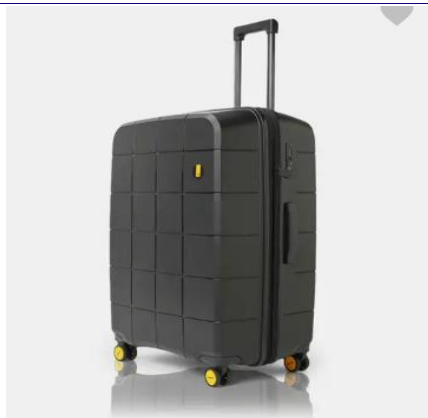
Kamiliant by American Tourister

Hard Body Set of 3 Luggage 8 ...



₹5,499 ~~₹33,700~~ **83% off**

Exhibit 37: Mokobara Single suitcase



Mokobara

Large Check-in Suitcase (76 cm)...



₹6,999 ~~₹15,999~~ **56% off**

Exhibit 38: Mokobara suitcases – set of 3



Mokobara

Hard Body Set of 3 Luggage 8 ...



₹32,999 ~~₹38,999~~ **15% off**

Source: Company; MOFSL

Source: Company; MOFSL

Why do we like the luggage industry?

- **Large and growing addressable market:** A sizeable INR170b market with ~54% still dominated by unbranded players, offering significant headroom for organized brands to capture share.
- **Structural travel demand tailwinds:** Rising frequency of domestic and international travel for leisure, business, and education is fueling consistent replacement and upgrade cycles.
- **A shift from unorganized to organized segment:** Branded players are steadily gaining market share, driven by superior product quality, warranties, after-sales service, and aspirational branding.
- **Asset-light, cash-generative model:** Moderate capital expenditure needs support robust free cash flow generation, enabling reinvestment and shareholder returns.
- **Strong brand equity and pricing power:** Market leaders like VIP, Safari, and Samsonite command high consumer recall, reinforcing customer loyalty and supporting premium pricing.
- **Adjacency-driven growth:** Companies are leveraging brand strength to expand into backpacks, handbags, laptop bags, and travel accessories, increasing share of consumer wallet and overall addressable market.
- **Supply chain localization advantage:** Investments in regional manufacturing are reducing import dependence (particularly from China), enhancing cost efficiency, and improving margins.
- **Expansion in Tier 2/3 cities and digital penetration:** Rapid expansion into smaller cities and growth of e-commerce/D2C channels are unlocking untapped demand and ensuring long-term, diversified growth.

Compelling valuations, limited downside risk

- The sector's correction over the past year—SI down ~15%, VIP down ~10%—was due to external factors such as weaker travel demand due to geopolitical headwinds, the impact of higher e-commerce discounting, a muted wedding season, and intensified online competition.
- Despite these pressures, the underlying industry fundamentals remain robust. Latest data shows that core organized players (VIP, Safari, and Samsonite) retain a dominant market share (33%), even as D2C and new-age online brands increase competition.
- Momentum is turning positive: Leading brands are seeing a pickup in Q1 2026, driven by a rebound in consumer sentiment and a stronger wedding calendar, which historically boosts luggage demand.
- Valuations are appealing—recent stock price corrections have priced in near-term risks, providing investors with an attractive entry point amid long-term structural growth drivers.
- Market forecasts point to 8-9% annual growth through 2030, backed by secular increases in travel, upgrades, and higher market penetration in Tier 2/3 cities.
- With industry headwinds largely absorbed and macro drivers intact, we see limited downside and attractive potential for upside given the sector's recovery momentum and valuation comfort.

Key trends

Smart luggage and technology integration: Features such as GPS tracking, USB charging, biometric locks, and digital scales are in demand, appealing to tech-savvy and business travelers. The smart luggage sub-segment is seeing significant growth, especially in North America, Europe, and Asia-Pacific, with CAGRs upwards of 18-21% in major regions.

Sustainability and eco-friendly materials: Consumer preference is shifting toward luggage made from recycled or eco-certified materials. Manufacturers, particularly in Europe and North America, are emphasizing recycled plastics, eco-safe colors, and transparent sourcing.

Customization and personalization: Travelers seek monogrammed, color-customizable, and modular luggage to reflect individual style and facilitate identification.

Rise of adventure and activity-specific luggage: Growth in adventure and sports travel drives demand for specialized, rugged, waterproof, and compartmentalized bags for trekking, sports, or outdoor use.

Lightweight and durable design: There's a strong focus on polycarbonate, polypropylene, and advanced textile blends that increase durability while reducing overall weight. This aligns with airline baggage regulations and consumer demand for portability.

Direct-to-Consumer (D2C) brands and e-commerce: The rise of D2C and online-first brands challenges legacy players, enabled by robust e-commerce logistics and social media-driven marketing, especially in India, the US, and China.

Segment leadership: Backpacks hold the largest revenue share (over 50% globally as of 2024), reflective of urban mobility, student use, and flexible lifestyles.

Market drivers

- **Travel & Tourism boom:** The ongoing rebound in both international and domestic travel is the single largest growth driver.
- **Rising disposable incomes:** Especially in Asia-Pacific and South America, fueling premiumization trends.
- **Urbanization and youth demographics:** Growing urban youth populations demand stylish, functional, and tech-enhanced travel gear.
- **Corporate and MICE (Meetings, Incentives, Conferences, Exhibitions) travel:** Drives high-volume sales in premium and smart luggage segments
- **Ascent of e-commerce:** Online channels are projected to post the highest CAGR among all sales avenues, with leading platforms in China, India, and the US.

Risks

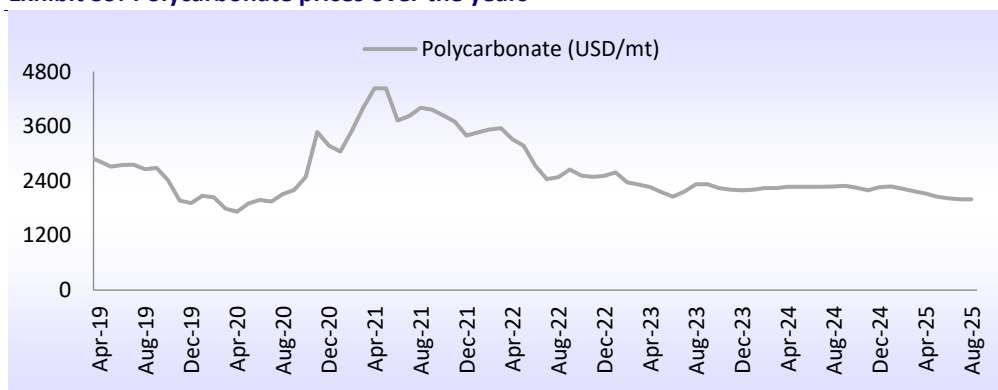
Travel demand disruption due to macro or geopolitical shocks

The luggage industry depends heavily on travel, making it vulnerable to economic downturns, geopolitical conflicts, and pandemics. Such events reduce travel and discretionary spending, causing inventory buildups and margin pressure. The COVID-19 pandemic highlighted this risk. Continued geopolitical stability and travel recovery are crucial for growth.

Rising input and distribution costs affecting margins

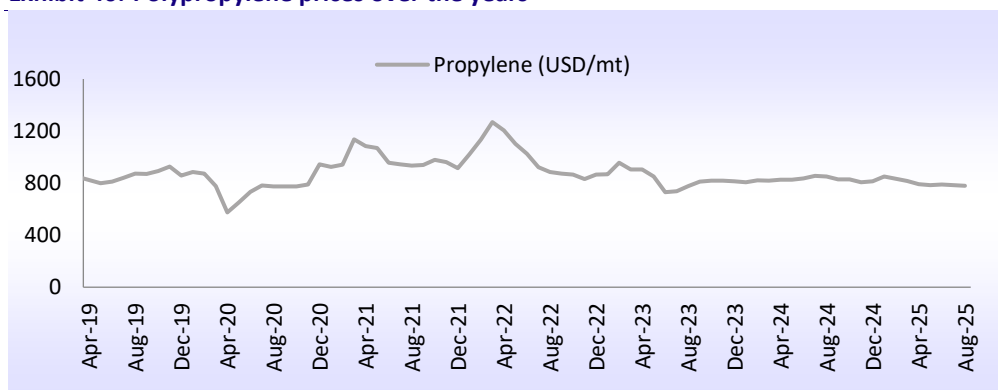
The luggage industry faces margin pressures from rising input costs for raw materials like polycarbonate and polypropylene. Additionally, increasing expenses in freight, warehousing, and last-mile delivery—exacerbated by fuel price volatility—further compress profitability. The companies dependent on imports or third-party sourcing are particularly vulnerable to these cost escalations. Without corresponding price increases or operational efficiencies, sustained cost inflation may erode operating leverage and hinder earnings growth.

Exhibit 39: Polycarbonate prices over the years



Source: Company, MOFSL

Exhibit 40: Polypropylene prices over the years



Source: Company, MOFSL

High dependence on imports, especially from China

A significant portion of raw materials and finished soft luggage in India is sourced from China, exposing companies to risks from geopolitical tensions, supply chain disruptions, and fluctuating import duties. This reliance limits control over lead times and cost stability, which adversely impacts gross margins and inventory planning. Any adverse policy shifts or trade escalations could severely disrupt operations and profitability. Given China's dominant role as a global luggage manufacturing hub—with vast production and export capacity—India's dependence on Chinese imports remains a critical vulnerability requiring strategic mitigation through diversified sourcing and local capacity enhancements.

Intense price competition in the mass segment

Brands in the mass luggage segment frequently resort to aggressive discounting to retain market share, resulting in margin erosion and gradual dilution of brand equity. With limited product differentiation and highly price-sensitive consumers, players face challenges in commanding premium pricing. The rise of new D2C brands and increasing e-commerce promotions further exacerbate competitive pressure, making sustainable profitability difficult to achieve.

Slower premium adoption in Tier 2 and 3 markets

While metro and Tier 1 cities exhibit growing demand for aspirational luggage products, smaller towns remain highly price-sensitive with limited willingness to pay for premium features. This disparity weighs on overall average selling price (ASP) growth and constrains the scalability of premium segments. Moreover, lower brand awareness and weaker organized retail infrastructure in Tier 2 and Tier 3 markets pose significant challenges for premium brands seeking deeper penetration.

Peer comparison

Exhibit 41: Comparison between the listed players

Particulars	Safari	VIP
Market Capitalization (INR b)	109	64
Business Model	Focused, hard-luggage-heavy, asset-light	Diversified, soft-luggage heavy, partly integrated
Brand Portfolio	Safari, Genie, Urban Jungle, Magnum, Genius	VIP, Aristocrat, Skybag, Caprese, Carlton
Manufacturing Strategy	Domestic in-house (Halol, Jaipur) + expanding	A mix of Bangladesh outsourcing and India operations
Go-to-market	GT-focused, emerging D2C & EBO push	Strong MT, EBO, D2C; early-mover advantage
Retail Presence	8,500 touchpoints, 145 EBOs (FY25)	14,000+ touchpoints, 404 EBOs (FY25)
Aspirational Branding	Value-led branding, functional positioning	Design + fashion-led, stronger premium recall
Revenue (INR m) FY25	17,716	21,784
Revenue CAGR (FY22-25)	36%	19%
Hard luggage revenue share (FY25)	74%	60%
Soft luggage revenue share (FY25)	26%	40%
Hard luggage revenue CAGR (FY22-25)	59%	30%
Soft luggage revenue CAGR (FY22-25)	7%	8%
Gross Margin (average FY22-25) (%)	43%	50%
Gross Margin (FY25) (%)	46%	46%
EBITDA Margin (avg. FY22-25) (%)	14%	10%
EBITDA Margin (FY25) (%)	13%	4%
A&P expenses as % of sales (avg. FY22-25)	5%	7%
A&P expenses as % of sales (FY25)	7%	6%
RoCE (average FY22-25) (%)	23%	12%
RoCE (FY25) (%)	17%	0%
Working capital days (avg. FY22-25)	72	114
Working capital days (FY25)	77	106
Promoter Holdings – June'25	45%	52%
SKU's	900+	1000+
Capacity (pcs p.m.)	1.15mn (100% HL)	1.265mn (45% HL)
Brand Strategy	Largely product-driven, no celebrity faces	Uses influencers/celebs tailored to sub-brands
Differentiator	Operational agility, margin-led performance	Legacy brand with deeper retail & brand equity
Growth Strategy	Capacity-led growth + brand building	Margin recovery + retail expansion + rebranding

Source: Company, MOFSL

Exhibit 42: Brand-wise portfolio positioning of VIP

Brand	Category Focus	Target Audience	Price Segment
VIP	Luggage (hard/soft), accessories	Family & business travelers	Economy to Mid-premium
Skybags	Luggage, backpacks, school bags	Youth, students	Economy to Mid-premium
Aristocrat	Value luggage, duffels, backpacks	Price-conscious buyers	Economy
Carlton	Premium luggage, business gear	Frequent flyers, professionals	Premium
Caprese	Handbags, women's accessories	Urban women	Mid-premium to premium

Source: Company, MOFSL

Exhibit 43: Brand-wise portfolio positioning of SI

Brand	Category Focus	Target Audience	Price Segment
Safari	Hard & soft luggage, backpacks, school bags, laptop bags, duffle bags	Value-conscious families, students, young professionals	Value and Premium
Urban Jungle	Hard & soft luggage, duffle bags, backpacks	Young Affluent	Premium
Genie	Hard & soft luggage, backpacks	Young Girls and Women	Value and Premium
Magnum	Hard & soft luggage, backpacks	Mass aspirational consumer segment	Value
Genius	Soft luggage, duffle bags, backpacks	Kids	Value and Premium

Source: Company, MOFSL

Exhibit 44: Category of products sold by various brands

Particulars	Hard	Soft	Duffle Bag	Backpack	Handbags
Known Brands					
American Tourister	✓	✓	✓	✓	✗
Safari	✓	✓	✓	✓	✗
Aristocrat	✓	✓	✓	✓	✗
Samsonite	✓	✓	✓	✓	✓
Tommy Hilfiger	✓	✓	✓	✓	✓
Skybag	✓	✓	✓	✓	✗
Swiss Military	✓	✓	✓	✓	✗
Wildcraft	✓	✓	✓	✓	✗
Genie	✓	✗	✗	✓	✗
VIP	✓	✓	✓	✗	✗
Kamiliant	✓	✓	✓	✗	✗
Nasher Miles	✓	✓	✗	✗	✗
Delsey Paris	✓	✗	✓	✗	✓
Tumi	✗	✗	✓	✓	✓
Mokobara	✓	✗	✗	✓	✓
Hidesign	✗	✓	✓	✗	✓
Caprese	✗	✗	✗	✗	✓

Source: Company, MOFSL

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BSE Sensex
81,425

S&P CNX
24,973



Stock Info

Bloomberg	VIP IN
Equity Shares (m)	142
M.Cap.(INRb)/(USDdb)	63.6 / 0.7
52-Week Range (INR)	590 / 248
1, 6, 12 Rel. Per (%)	3/39/-11
12M Avg Val (INR M)	396
Free float (%)	48.3

Financial Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	21.8	23.4	25.9
EBITDA	0.8	2.1	3.4
Adj. PAT	-0.7	0.3	1.3
EPS (INR)	-5.3	2.4	9.3
EPS Gr.%	-307.3	-145.4	288.2
BV/Sh. (INR)	43.4	45.9	55.3

Ratios

Net D:E	1.1	0.8	0.4
RoE (%)	-11.5	5.4	18.3
RoCE (%)	-0.2	8.2	15.3
Payout (%)	0.0	0.0	0.0

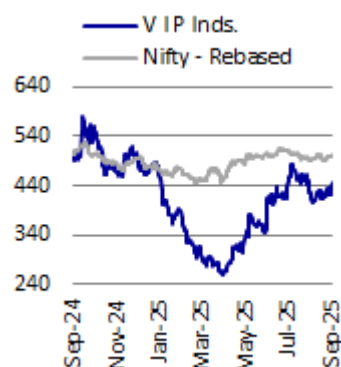
Valuation

P/E (x)	-85.6	188.4	48.5
P/B (x)	10.4	9.8	8.1
EV/EBITDA (x)	86.2	32.3	19.9
Div. yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	51.7	51.7	51.8
DII	13.8	12.8	13.8
FII	7.3	7.7	7.3
Others	27.2	27.8	27.2

Stock Performance (1-year)



CMP: INR450

TP: INR530 (+18%)

Buy

Carrying dreams | Creating journeys

- VIP Industries (VIP) is emerging from a strategic reset year with a cleaner balance sheet, renewed brand investments, and meaningful cost-efficiency gains. The industry backdrop remains structurally positive, yet current valuation multiples do not capture the potential re-rating as margins recover and the pace of premiumization accelerates. For investors with a 12–24 month horizon, we believe current levels offer a compelling risk-reward.
- India's INR170b luggage market is benefiting from secular growth tailwinds—rising travel for leisure, business, and education—combined with a buoyant wedding market (FY26 has the highest wedding dates in a decade). With its multi-brand portfolio spanning across VIP, Skybags, Carlton, Aristocrat, Alfa, and Caprese, the company enjoys unmatched brand recall across price points. Its comprehensive transformation plan aims to restore category leadership through sharper product design, premium features (e.g., first-to-market Smart Bag Tags), and widening consumer appeal—early signs of recovery are already visible. The recent change of guard—Multiples Private Equity acquiring a controlling stake—signals strong conviction in the brand's revival potential. We expect the refreshed strategy to be anchored around 1) augmenting supply chain efficiency, 2) enhancing employee productivity, 3) divesting low-profitability brands, 4) expanding its retail footprint to high-throughput locations, and 5) realigning e-commerce discounting to protect margins. We believe these initiatives can have a direct and material impact on operating performance, driving sustainable top-line growth and margin expansion. We initiate coverage on the stock with a BUY rating and a DCF based TP of INR530 (implied P/E of 47x on Sep'27).

Consolidating leadership in a growing market

VIP remains the largest player in India's organized luggage market, commanding a 37% share among the top three brands. Its diversified portfolio—VIP, Skybags, Aristocrat, Carlton, and Caprese—spans the premium-to-value spectrum, serving multiple consumer segments and usage occasions. The company has been a category pioneer, formalizing segments with launches such as Skybags in backpacks and Caprese in women's handbags.

After a period of pressure in the mass segment and heightened competition, VIP has regained momentum—market share rebounded from 36% to 40% by Q2 FY25, with further gains expected. Management guides for 1-2pp of outperformance versus industry growth in FY26. The recovery is being driven by product innovation, brand refreshes, and tighter portfolio management, alongside a marketing pivot toward digital-first campaigns and younger consumers, supplemented by selective celebrity endorsements.

With its pan-India distribution network, improving channel execution, and a sharpened focus on higher margin segments, VIP is well-positioned to strengthen its market leadership and benefit disproportionately from India's expanding INR170b luggage market.

Premium segment poised for revival

Over the past three years, VIP's premium and mass-premium portfolio (VIP, Skybags, and Carlton) has seen its share slip from 61% in FY22 to 54% in FY25, as value brands Aristocrat and Alfa garnered volumes with price-sensitive consumers amid heightened online price wars. With profitability and brand positioning in focus, management is now pivoting decisively back toward premium offerings — introducing upgraded products, investing in celebrity-led campaigns (e.g., *Kiara Advani for Caprese*), and rolling out experience-driven exclusive stores in high-value catchments. Supported by enhanced R&D, differentiated features (e.g., Smart Bag Tag), and sharper, targeted distribution, this premium push is likely to expand average selling prices (ASPs), lift margins, and reinforce VIP's long-term brand equity in the INR170b luggage market.

Scaling online market share through focused execution

VIP has transformed e-commerce from a peripheral channel into a core growth driver. Historically cautious due to the category's tactile nature, the company pivoted as online adoption surged — engaging Boston Consulting Group (BCG) in FY23 to strengthen digital capabilities across product, pricing, and marketing. Though e-commerce revenue has since grown at a 48% CAGR (FY22–FY25), with its share of sales rising from 16% to 31%, management targets ~35% medium-term contribution. This growth is being driven by data-led merchandising, expansion of premium offerings online (including Carlton on Amazon and Flipkart), and platform-specific pricing strategies.

With a scalable, profitable digital engine complementing its offline leadership, VIP is well-placed to capture the shift in consumer buying behavior and lock in long-term market share gains.

Financial outlook

VIP Industries, a leading player in India's INR170b luggage market, has outpaced industry growth, delivering a revenue CAGR of 19% over FY22–25. We expect VIP to continue gaining share and deliver industry-beating growth, leveraging the strategic drivers, which include: 1) a celebrity-led campaign to drive brand recall, 2) product upgrades with distinctive features — smart Bag-Tag, 3) store rationalization — a closure of low-RoI EBOs, and 4) Bangladesh plant turnaround — INR80m operating profit in 1QFY26 vs. INR110m loss last year. This integrated strategy of premiumization + digital scale + margin accretive supply chain underpins our optimism, expecting a re-rating for VIP.

Valuation and recommendation: Initiate coverage with a BUY rating

With the recent change of guard and an ongoing strategy reset, we expect VIP to deliver a sustained improvement in operating performance over the medium term. We model a revenue/EBITDA CAGR of 10%/73% over FY25–28E, driven by healthy volume growth, sharp margin improvement, premiumization, channel optimization, and manufacturing efficiencies. This, in turn, should lead to a sharp improvement in free cash flow generation to INR3.4b by FY28E and an improvement in RoE to 21.6% in FY28E.

We initiate coverage on VIP with a BUY rating and a DCF based TP of INR530 (implied P/E of 47x on Sep'27), reflecting our confidence in VIP's ability to capture above-industry growth, deliver margin expansion into the 13-15% range, and strengthen its market leadership in the INR170b Indian luggage industry.

Key risks and concerns

Key risks would include: 1) macroeconomic slowdown, 2) raw material price volatility, 3) intensifying competition from online brands, 4) high dependency on the travel & tourism trend, and 5) margin pressure due to higher discounting in e-commerce/modern trade channels.

STORY IN CHARTS

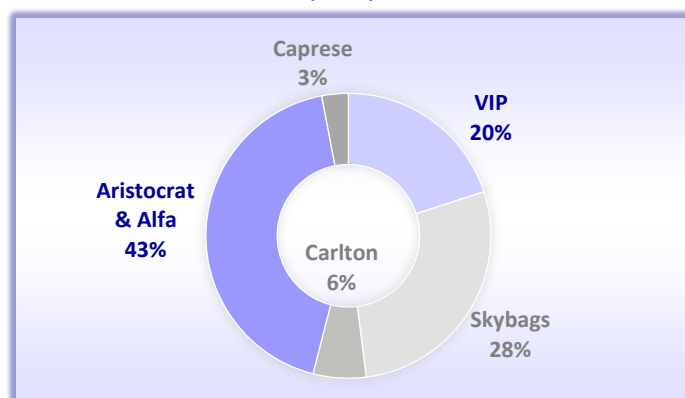
Product portfolio of the company



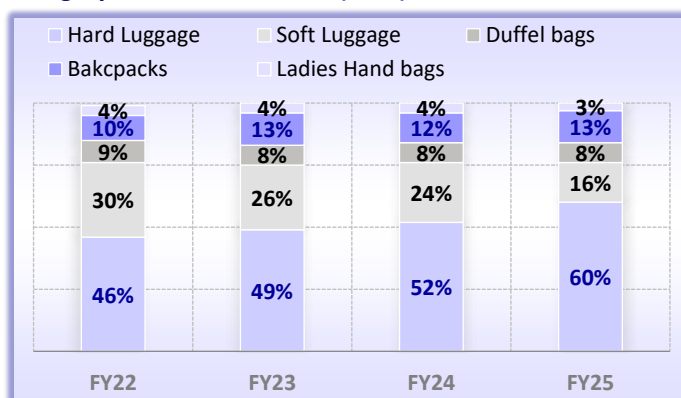
Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment
VIP	Luggage (hard/soft), accessories	Family & business travelers	Economy to Mid-premium
Skybags	Luggage, backpacks, school bags	Youth, students	Economy to Mid-premium
Aristocrat	Value luggage, duffels, backpacks	Price-conscious buyers	Economy
Carlton	Premium luggage, business gear	Frequent flyers, professionals	Premium
Caprese	Handbags, women's accessories	Urban women	Mid-premium to premium

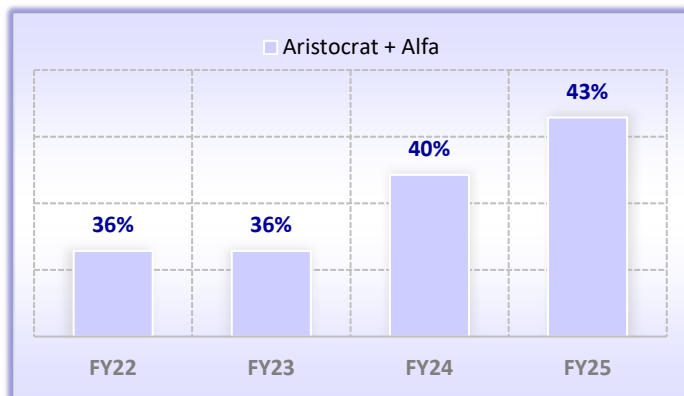
Brand-wise revenue share (FY25)



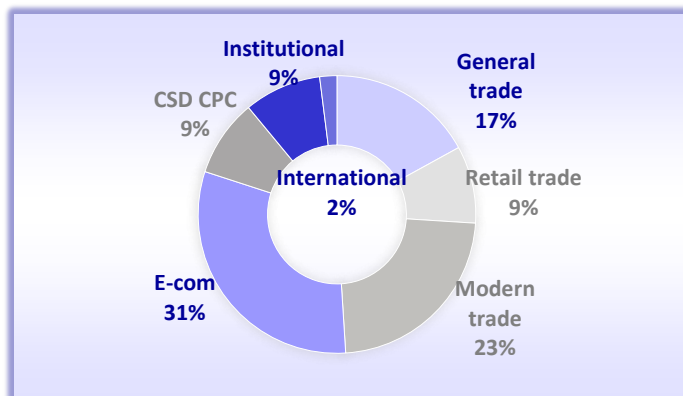
Category-wise revenue share (FY25)



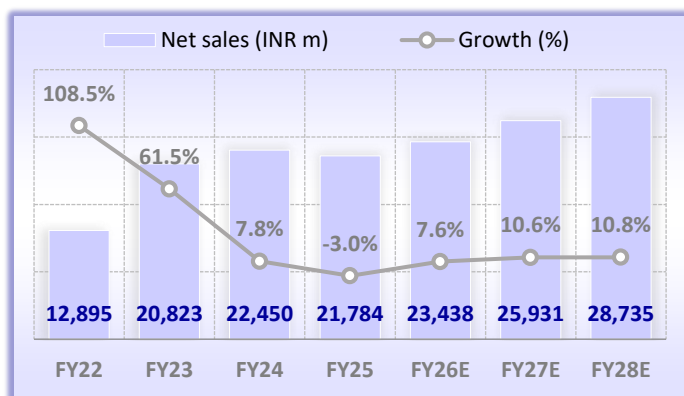
Mass segment's share rising



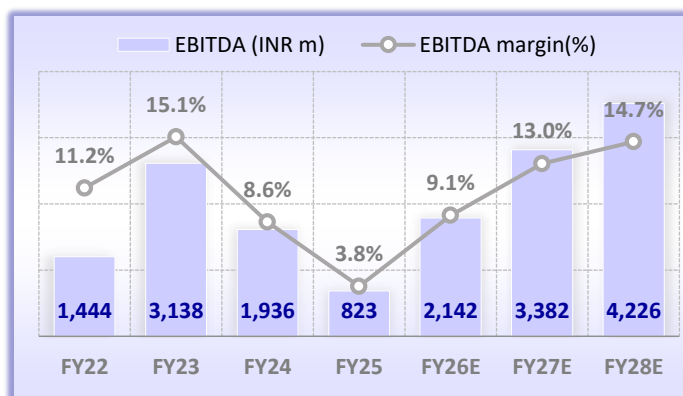
Channel-wise revenue share (FY25)



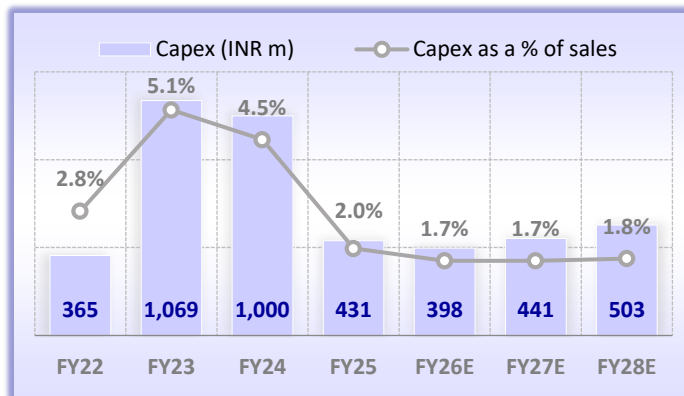
Revenue trend



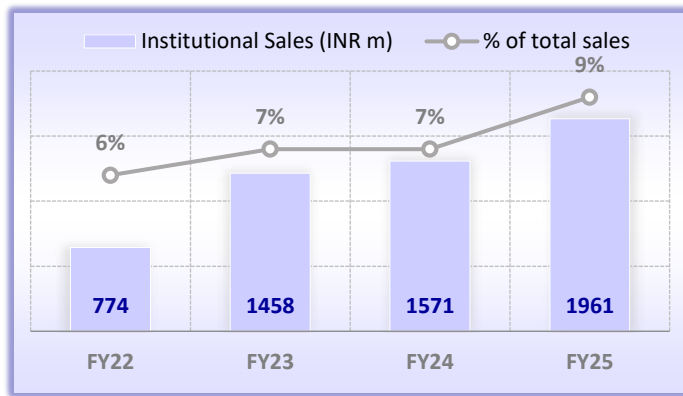
EBITDA trend



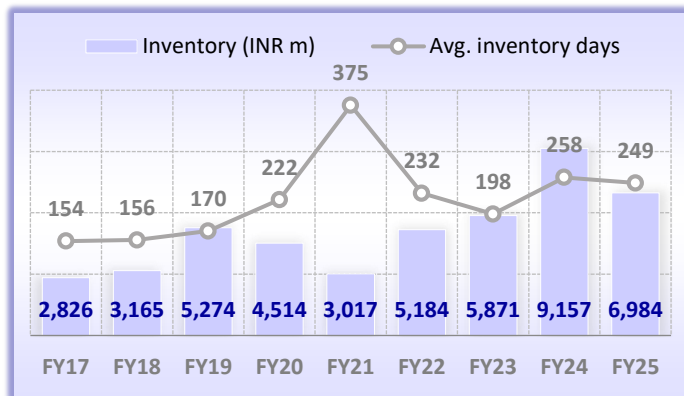
Capex



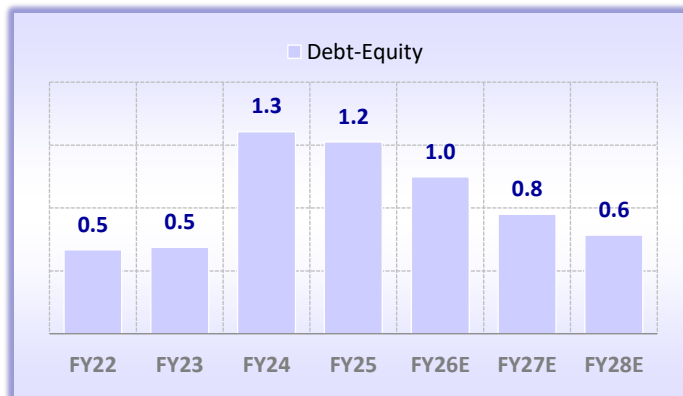
Institutional sales on the improving trend



Inventory and inventory days settling down



Debt-to-Equity ratio to remain stable



Investment thesis: Market leader in an attractive industry

Onboarding consumers with a diversified portfolio and a commanding share

VIP remains the largest player in India's organized luggage market, commanding a 37% share among the top three brands. Its diversified portfolio—VIP, Skybags, Aristocrat, Carlton, and Caprese—spans the premium-to-value spectrum, serving multiple consumer segments and usage occasions. The company has been a category pioneer, formalizing segments with launches such as Skybags in backpacks and Caprese in women's handbags.

After a period of pressure in the mass segment and heightened competition, VIP has regained momentum—market share rebounded from 36% to 40% by Q2 FY25, with further gains expected. Management guides for 1–2 percentage points of outperformance versus industry growth in FY26. The recovery is being driven by product innovation, brand refreshes, and tighter portfolio management, alongside a marketing pivot toward digital-first campaigns and younger consumers, supplemented by selective celebrity endorsements.

With its pan-India distribution network, improving channel execution, and a sharpened focus on higher-margin segments, VIP is well-positioned to strengthen its market leadership and benefit disproportionately from India's expanding INR170b luggage market.

Market leader in the luggage industry

VIP is the undisputed leader in India's organized luggage market and the country's largest manufacturer and retailer of luggage, backpacks, and handbags. With over five decades of category expertise, a nationwide omnichannel distribution network, and an extensive multi-brand portfolio spanning VIP, Skybags, Carlton, Aristocrat, Alfa, and Caprese, the company has entrenched dominance across price points and consumer segments. Its products enjoy strong visibility and trust in both domestic and select international markets.

As the INR170b Indian luggage industry undergoes premiumization and formalization, VIP's strategy to regain and expand market share is anchored on sharpened product innovation, design differentiation, and superior customer experience. Leveraging brand equity, operational efficiencies, and a refocused premium portfolio, the company is well-positioned to consolidate its leadership while driving sustainable, profitable growth.

Strategic portfolio positioning for both the premium and value segments

VIP has built a robust, segmented brand architecture that caters to distinct consumer cohorts across affordability, lifestyle, and aspiration, enabling it to capture the full spectrum of India's evolving luggage demand. This multi-brand approach not only broadens its addressable market but also creates natural price and positioning insulation against competitive threats.

- **VIP:** The flagship brand covers the budget to mid-premium range, with offerings in hard/soft luggage, duffels, backpacks, and uprights priced between INR3,000 and INR15,750. As per the company's annual report, VIP enjoys the

industry's highest Top-of-Mind (ToM) recall, significantly ahead of its nearest competitors.

- **Skybags:** Youth-focused, design-led, and known for bold, colorful products, Skybags has historically been popular among college students and young urban buyers. The brand is now undergoing premium repositioning to tap the value-accretive customer segments and improve margins, aligning with VIP's strategic pivot.
- **Aristocrat:** Serving the value-conscious traveler with durable, affordable products, Aristocrat has become VIP's fastest-growing brand, surpassing INR10b in revenue in FY24. Its rise reflects strong traction in the mass market, where affordability and reliability drive purchase decisions.
- **Carlton:** VIP's premium offering, positioned for business and international travelers seeking stylish, high-performance products. While historically centered around the INR10,000 price point, Carlton's range has now been extended to INR18,000 to boost ASPs and per-unit profitability, augmenting the company's premiumization drive.
- **Caprese:** Targeting the rapidly growing women's accessories market, Caprese offers fashion-forward handbags that blend style and functionality. The brand surpassed INR1b in revenue in FY24. VIP aims to scale it into a standalone premium lifestyle brand, capturing the growing demand for women-centric travel and everyday accessories.

Strategic impact

This brand portfolio enables VIP to address multiple price points and consumer lifestyles simultaneously, supporting category leadership, premiumization, and margin expansion while insulating the top line from cyclical swings in any single segment. The approach also strengthens its ability to capture market share as India's INR170b luggage industry formalizes and matures.

- Premiumization on track: Carlton delivered double-digit growth in 1QFY26 despite temporary legal disruption; its premium share in e-commerce is improving via Carlton launches on Amazon & Flipkart.
- Lower-end entry through Alfa to combat aggressive e-commerce entrants selling INR1,100 cabin luggage. This plugs a gap in the sub-INR3,000 market that comprises ~80% of industry revenue.
- New collections scaling fast: 40% of FY26 revenue is expected from new launches (vs. 25–28% in FY25), with better-than-company-average margins.

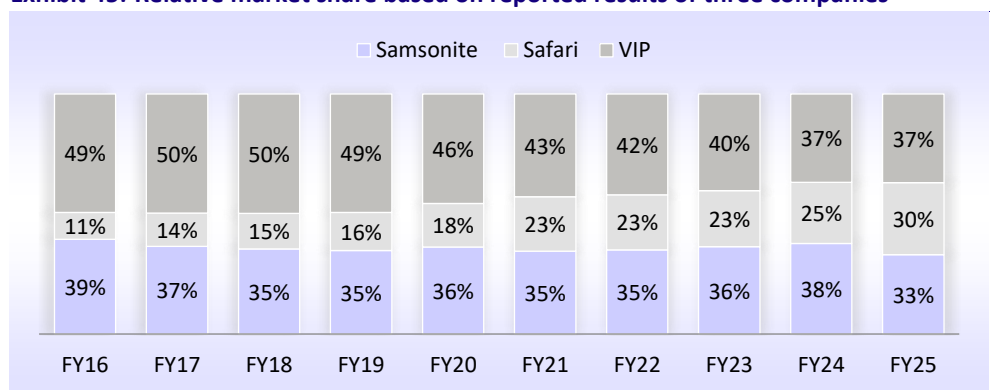
Market share consolidation & leadership

VIP remains the undisputed leader in India's organized luggage market, commanding a dominant 37% market share in FY25 among the top three players. Backed by decades of manufacturing excellence, the company has assembled India's largest and most diversified portfolio in luggage, backpacks, and handbags. Its five marquee brands — VIP, Skybags, Aristocrat, Alfa, Carlton, and Caprese — span the full pricing spectrum, serving consumers from value-seeking buyers to premium travelers. The company has consistently driven category formalization, being the first to tap the fragmented backpack segment with Skybags and launching Caprese to establish a strong foothold in the handbag space.

In recent quarters, VIP has made notable progress in regaining share, rebounding from 36% to 40% by 2QFY25, with management guiding for a further 1-2pp gain in the near term. This recovery is being fueled by product upgrades, portfolio refreshes, and trend-driven designs aligned with evolving consumer preferences. Despite intensifying competition in the mass segment, VIP's deep distribution reach and sharp, segmented branding strategy provide a structural edge.

The company's marketing playbook is also evolving — while it pioneered celebrity endorsements in the category, its focus is now on digital-first campaigns and culturally relevant storytelling to engage younger audiences. With revenue growth projected to outpace the industry's 8–10% CAGR by 1–2% points in FY26 and a sustainable 35%+ market share in sight, VIP is well-positioned to fortify and extend its leadership in the next phase of India's INR170b luggage market expansion.

Exhibit 45: Relative market share based on reported results of three companies



Source: Company, MOFSL

Design-driven transformation

VIP is undergoing a design-inspired transformation aimed at revitalizing growth, enhancing brand equity, and sustaining market leadership. This strategic revival rests on three core pillars: upgrading the brand portfolio, elevating brand perception, and streamlining internal processes to enhance agility. Central to the approach is a premiumization push, with elevated product ranges under Carlton, VIP, and Skybags designed to meet the evolving aspirations of modern consumers.

In FY25, the company accelerated product development, launching over 129 new SKUs across premium, value, and backpack segments. The backpack category saw the most intense activity, signaling VIP's intent to capture share in this high-growth, youth-driven segment. Building on this momentum, VIP plans to more than double innovation throughput in FY26, with many new product introductions in the pipeline — spanning fresh designs, enhanced functionality, and differentiated aesthetics. This sustained innovation engine is expected to strengthen market traction, command higher ASPs, and deepen consumer preference across the value-to-premium spectrum.

Exhibit 46: Brand-wise portfolio positioning

Brand	Year of Launch	Category Focus	Target Audience	Price Segment	Price Range	FY25 Revenue	Revenue Share (%)	Products
VIP	1972	Luggage (hard/soft), accessories	Family & business travelers	Economy to Mid-premium	INR5,000 - 8,000	INR4,357m	20%	
Skybags	1982	Luggage, backpacks, school bags	Youth, students	Economy to Mid-premium	INR4,000 - 6,000	INR6,100m	28%	
Aristocrat	2008	Value luggage, duffels, backpacks	Price-conscious buyers	Economy	INR3,500 - 5,000	INR9,367m	43%	
Carlton	2012	Premium luggage, business gear	Frequent flyers, professionals	Premium	INR6,000 - 10,000	INR1,307m	6%	
Caprese	2012	Handbags, women's accessories	Urban women	Mid-premium to premium	INR1,400 – 3,500	INR654m	3%	

Source: Company, MOFSL

Evolving celebrity endorsement strategy

VIP, India's foremost luggage brand, has a long legacy of leveraging celebrity endorsements to build strong brand recall across its diversified portfolio. Historically, high-profile ambassadors such as power couple Saif Ali Khan and Kareena Kapoor Khan for VIP, Varun Dhawan for Skybags, and Alia Bhatt for Caprese have helped the company connect emotionally with consumers and elevate brand imagery. These traditional campaigns, often supported by costly television commercials, established VIP's presence in both mass and premium segments effectively.

However, a recent analysis has indicated that the return on investment from large-scale celebrity-led advertising has lagged behind competitors like Safari, prompting VIP to recalibrate its marketing approach. The company is now strategically shifting away from expensive, broad-based campaigns toward more focused, digitally driven marketing efforts. This includes partnerships with micro-influencers who resonate with niche audiences, amplified presence across social media platforms, and investments in subtle in-film placements that enhance brand visibility in culturally relevant contexts.

This data-backed, cost-effective pivot aligns with evolving consumer behavior and media consumption patterns in India, where digital engagement outpaces traditional media. By optimizing spending and targeting younger, digitally native demographics, VIP aims to maintain strong brand relevance and recall through more efficient outreach, reinforcing its leadership while enhancing marketing RoI.

Exhibit 47: Advertisement costs

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue (INR m)											
SI	2,159	2,769	3,423	4,169	5,726	6,813	3,280	7,052	12,120	15,504	17,716
VIP	10,477	12,165	12,515	14,096	17,847	17,144	6,186	12,895	20,823	22,450	21,784
Samsonite	9,110	9,748	9,412	10,093	12,612	13,681	5,007	10,796	18,825	22,988	19,500*
Advertisement costs (INR m)											
SI	47	56	79	102	188	297	92	182	450	778	1,310
VIP	630	707	768	895	994	916	208	355	1,125	1,848	1,383
Samsonite	560	560	483	593	702	564	164	155	1,104	1,318	1,170*
Advertisement cost as a % of revenue											
SI	2.2	2.0	2.3	2.4	3.3	4.4	2.8	2.6	3.7	5.0	7.4
VIP	6.0	5.8	6.1	6.3	5.6	5.3	3.4	2.8	5.4	8.2	6.3
Samsonite	6.1	5.7	5.1	5.9	5.6	4.1	3.3	1.4	5.9	5.7	6.0*

Source: Company, MOFSL

*MOFSL estimates

Exhibit 48: Details of VIP's branding activities

Year	Brand	Brand Ambassador	Purpose of Marketing	Campaign Highlights	Ad Medium/Mode
2015	Caprese	Alia Bhatt	Position Caprese as fashionable, global, and elegant	Spring-Summer collection shot in Europe to emphasize style and elegance	TV, Billboards, Social Media, Retail Displays
2016	VIP	Hrithik Roshan	Reinforce the durability and heroism of VIP luggage	Action-style ad depicting luggage's toughness and legacy	TV Commercials, Outdoor, Social Media
2017	VIP	Hrithik Roshan	Celebrate 50 years of VIP; reinforce long-standing consumer trust	Revival of the jingle "Kal Bhi, Aaj Bhi, Kal Bhi VIP"; brand-wide promotions	TVC, Print, Digital, In-store Promotions
2017	Aristocrat	Rohit Sharma & R. Ashwin	Rebrand Aristocrat to appeal to younger, value-conscious customers	New logo and youthful positioning with cricket stars	TVC, Social Media, Outdoor Ads
2023	Skybags	Kartik Aaryan	Generate excitement with FIFA luggage collection; capture youth interest	Limited-edition FIFA bags launched during World Cup craze	Social Media, Influencer Content, Digital Ads
2023	VIP (Tech Line)	Rajiv Makhani	Showcase VIP's smart luggage features and tech innovation	Positioned as a functional and futuristic travel gear for modern users	YouTube, Tech Influencer Collaborations, Online Media
2024	Caprese	Kiara Advani	Strengthen premium appeal among women; highlight fashion credentials	Launch of 'Kiara Collection' with lifestyle-centric ad rollout	Digital Ads, Social Media, Fashion Magazines, In-Store

Source: Company, MOFSL

Exhibit 49: Recent advertisements



Source: Company, MOFSL

Channel optimization to capture market share

VIP has undergone a strategic shift in embracing e-commerce as a critical growth channel. Initially cautious due to the tactile nature of luggage and a retail-first mindset prevalent in the industry, VIP recognized the rising importance of online distribution fueled by increasing internet penetration and evolving consumer buying behaviors. To accelerate this digital transformation, VIP engaged BCG in FY23 to enhance its e-commerce capabilities and better capture market share.

This strategic investment is delivering measurable results. VIP's e-commerce revenue surged by 37% year-on-year in FY25 and has grown at a robust 48% CAGR between FY22 and FY25. The channel's contribution to overall revenue expanded significantly, rising from 16% in FY22 to 31% in FY25, though Flipkart and Amazon derive more than 75% share in e-commerce sales. Management aims to sustain and further scale e-commerce's share to ~35% in the medium term, positioning online sales as a central pillar of its omnichannel distribution strategy. This shift reflects a scalable, profitable digital model that complements VIP's strong offline footprint and aligns with changing consumer preferences toward online shopping. In addition, owing to store restructuring by one of the leading retailers (Reliance Retail) in recent quarters, VIP's revenue was weaker in the modern trade channel, while Vishal Mega Mart and D-Mart saw strong consumer uptake, contributing ~50% of channel sales.

Exhibit 50: Channel-wise saliency

Particulars	FY22	FY23	FY24	FY25	YoY %	FY22-25 CAGR (%)
General trade	20%	23%	21%	17%	-400bp	
Retail trade	10%	11%	10%	9%	-100bp	
Modern trade	28%	28%	26%	23%	-300bp	
E-com	16%	14%	22%	31%	900bp	
CSD CPC	17%	12%	11%	9%	-200bp	
Institutional	6%	7%	7%	9%	200bp	
International	3%	4%	3%	2%	-100bp	
Total	100%	100%	100%	100%		
Channel-wise sales (INR m)						
General trade	2,579	4,789	4,714	3,703	-21%	13
Retail trade	1,290	2,291	2,245	1,961	-13%	15
Modern trade	3,611	5,830	5,837	5,010	-14%	12
E-com	2,063	2,915	4,939	6,753	37%	48
CSD CPC	2,192	2,499	2,469	1,961	-21%	-4
Institutional	774	1,458	1,571	1,961	25%	36
International	387	833	673	436	-35%	4

Source: Company, MOFSL

Premium segment to outshine mass category

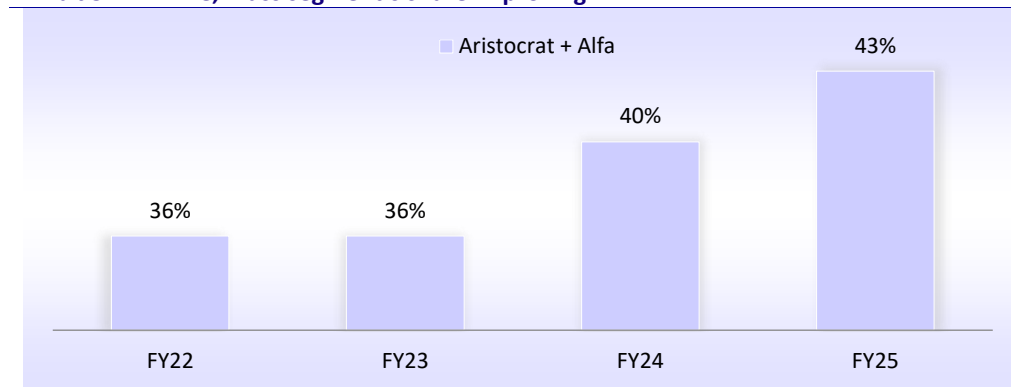
- Over the past few years, VIP's premium and mass-premium portfolio led by flagship brands VIP, Skybags, and Carlton has seen its share decline from 61% in FY22 to 54% in FY25, as the company's value-oriented Aristocrat and Alfa brands gained traction among price-sensitive consumers. Together, these value labels now account for 43% of the portfolio, up from 36% in FY22.
- Recognizing the need to rebalance its mix for sustainable growth and margin expansion, VIP is pivoting decisively back toward high-value segments. Premium brands deliver stronger margins, higher ASPs, and deeper brand equity, making them essential to long-term value creation. The revival strategy spans product innovation, brand reinvestment, and channel upgrades.
- As part of its marketing upgrade, VIP has signed Kiara Advani as brand ambassador for Caprese, reinforcing its aspirational positioning in women's handbags. A high-impact, multi-platform campaign — spanning digital, social, outdoor, and influencer activations — is designed to strengthen brand recall among affluent consumers.
- On the product side, VIP and Carlton are being refreshed with premium materials, modern aesthetics, and technology-enabled features tailored to contemporary travel needs. Expanded R&D investment underpins this push, ensuring products carry form with function at an elevated standard.
- To improve accessibility, VIP is scaling experience-driven EBOs in premium malls and catchment areas and sharpening its premium-focused online strategy, using both D2C and curated marketplace channels. Crucially, this is not just a branding exercise — premium-led growth is expected to lift gross margins structurally, reversing recent dilution from an outsized mass-market mix.

Exhibit 51: Premium and mass premium segments' share declining (%)...

Brand name	FY22	FY23	FY24	FY25
VIP	23	23	21	20
Skybags	33	31	29	28
Carlton	5	6	6	6
Premium & Mass Premium	61	60	56	54

Source: Company, MOFSL

Exhibit 52: ...while, mass segment's share improving



Source: Company, MOFSL

New growth vectors: Gifting and institutional sales

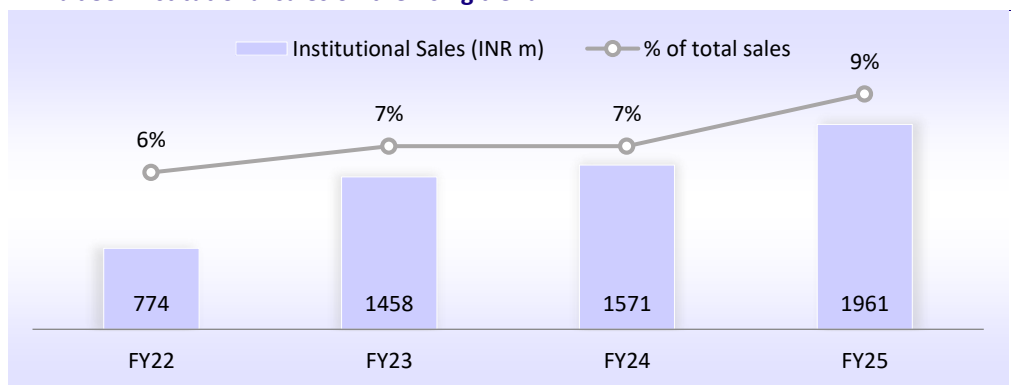
Gifting – Seasonal and premiumization catalyst

Gifting has emerged as a significant demand driver for VIP, with luggage increasingly perceived as a practical yet aspirational gift choice. Weddings, festivals, corporate milestones, and personal celebrations create consistent spikes in bulk purchases, particularly in mid- and premium-price categories. VIP capitalizes on this by offering a broad, multi-brand portfolio across price points, backed by quality assurance and warranty—key to gifting credibility. Seasonal peaks, especially during Diwali and the wedding season, not only deliver predictable sales uplifts but also accelerate premiumization, as customers gravitate toward aesthetically appealing, durable products for memorable occasions.

Institutional & corporate sales – A stable, high-volume growth driver

Institutional sales remain a core, high-volume revenue stream, supplying corporates, government agencies, and large organizations for employee incentives, promotional events, and travel requisites. This channel provides scale advantages through bulk orders and long-term partnerships while largely avoiding the heavy discounting seen in retail and e-commerce. VIP's brand equity, customization capabilities (branding, design tweaks, and bespoke packaging), and pan-India manufacturing & distribution reach enable it to service large contracts efficiently. The segment ensures steady order inflows and high factory utilization year-round, acting as a stabilizer for revenue and margins.

Exhibit 53: Institutional sales on the rising trend



Source: Company, MOFSL

From leadership to legacy: Charting the next growth curve

What went wrong at VIP?

VIP faced a significant mismatch between production focus and shifting consumer demand trends. While the market increasingly favored hard luggage, the company continued to produce a disproportionately high volume of soft luggage. This misalignment led to an inventory buildup, with soft luggage alone accounting for around INR3b of the total INR9.2b inventory by Q4FY24. Such excess stock strained operations, particularly impacting the Bangladesh manufacturing facility, which was primarily dedicated to soft luggage production.

This inventory glut and underutilization severely pressured margins and operational efficiency, reflected in the Bangladesh subsidiary's revenue declining 49% YoY to INR6.1b in FY24.

Operational restructuring in Bangladesh

In response to slower demand trends, VIP undertook a strategic operational realignment at its Bangladesh plant.

- Production of upright soft luggage was paused in 4QFY24 and scaled down sharply from 0.25m units to ~90,000 units by Q1FY25.
- The factory pivoted capacity toward higher growth categories like backpacks and duffel bags to better align with current market demand.
- A reduction in workforce accompanied this production reset to better match the revised output plan.
- The Bangladesh plant capacity utilization improved with these changes, moving toward more profitable segments.

Inventory clearance strategy

Rather than resorting to aggressive discounting that would erode average selling prices and margins, VIP opted for a more measured inventory clearance approach. This strategy focuses on systematically reducing excess inventory to lower carrying costs, such as warehousing and freight, which have been elevated due to inventory overhang. The controlled clearance is aimed at protecting profitability while improving the company's overall cost structure.

Forecasting and pricing adjustments

The slowdown in demand for soft luggage exposed gaps in VIP's demand forecasting and production planning. Before restructuring, the company had relied on heavy discounting to move excess inventory, which compressed ASPs and hurt profitability. Going forward, a better alignment between market demand, production outputs, and pricing discipline is expected to stabilize ASPs, improve gross margins, and enhance overall profitability.

Outlook

With the Bangladesh facility now realigned to focus on backpacks and duffel bags, and inventory being cleared without deep discounting, VIP aims to regain operational efficiency and margin expansion. Management expresses confidence that these structural adjustments — combined with premiumization and e-

commerce growth strategies — will position the company for improved profitability and sustainable growth in the medium term. Indeed, these initiatives started paying off since 1Q, as the Bangladesh facility posted a sharp improvement in profitability.

VIP's strategic alignment to regain momentum

VIP is undergoing a comprehensive transformation aimed at reclaiming market share, reigniting growth, and building a scalable foundation for the next phase of expansion. The strategic roadmap rests on three pillars 1) portfolio transformation, 2) brand premiumization, and 3) process excellence, each closely aligned with evolving consumer preferences and market dynamics.

- **Portfolio Transformation:** A design-driven product revamp is at the heart of this shift. Core brands VIP and Skybags are being refreshed with contemporary, innovation-led collections. Skybags alone launched 60+ new backpack SKUs in FY25, while VIP has tapped international design talent to enhance appeal. The strong reception to these launches underscores the company's focus on frequent product refreshes and adjacent category expansion into travel accessories.
- **Brand Premiumization:** High-value brands such as Carlton, VIP, Skybags, and Caprese are at the center of the premium push. Initiatives include expanding into premium mall locations, revamping existing EBOs, and deploying celebrity endorsements to strengthen aspiration. Carlton's flagship products now command significantly higher price points, lifting ASPs and margins. Caprese crossed INR1.0b in FY24, with targeted growth through kiosks and integrated retail formats.
- **Process & execution improvements:** A sharper go-to-market engine underpins this evolution. VIP has resumed dealer engagement events after several years, enhanced trade visibility for the backpack category, and is transitioning to an asset-light retail model with a greater share of franchised stores. The digital channel, now contributing 31% of revenue, continues to grow via partnerships with leading e-commerce platforms and stronger D2C initiatives.

Investment implication:

This integrated approach, revitalized product pipeline, premium brand focus, and operational agility — directly address prior misalignments (such as the soft luggage overhang) and position VIP for sustainable, margin-accretive growth in an increasingly formalized INR170b luggage market.

Channel dynamics: Navigating growth and managing channel conflict

1. Strategic channel diversification fuels growth:

VIP operates a well-balanced, multi-channel distribution network spanning General Trade (GT), Modern Trade (MT), EBOs, and e-commerce, ensuring deep market coverage across both mass and premium segments. MT, now contributing ~23% of FY25 revenue — plays a pivotal role in premium brand positioning in urban centers, while EBOs provide greater control over brand experience and merchandise mix, supporting margin expansion. The digital channel has scaled rapidly post-pandemic, capturing a growing base of younger, value-driven customers.

However, the aggressive online discounting model has created pricing friction with GT and EBO partners. To mitigate this, VIP has implemented channel-specific

SKUs and calibrated pricing strategies to protect dealer profitability, preserve brand equity, and maintain channel harmony.

2. Expanding EBOs for premium visibility & margin improvement:

VIP has expanded its EBO footprint to ~400+ stores, serving as premium brand showcases for labels like Carlton and Caprese. While relatively capital-intensive, EBOs enable the company to control pricing, merchandising, and customer experience. Expansion is targeted toward high-footfall, premium retail catchments that maximize brand visibility and return on investment without compromising profitability.

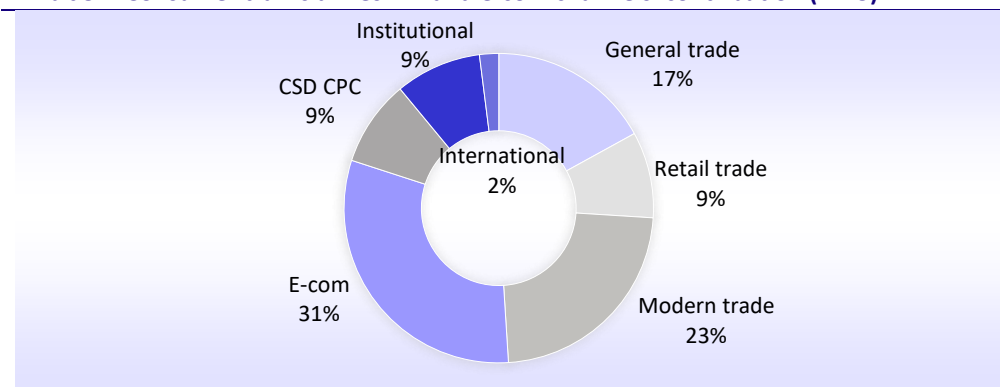
3. E-commerce gains structural momentum:

E-commerce has emerged as a strategic growth engine, now contributing ~31% of revenue. Enhanced online storefronts, personalized promotions, and advanced product visualization tools have strengthened engagement with digital-native consumers. Parallel growth in MT has helped position luggage as a lifestyle accessory, boosting category penetration among aspirational buyers.

4. Future-focused, balanced distribution playbook:

Going forward, VIP's omnichannel plan centers on expanding high-impact EBOs, deepening premium presence in MT, and ensuring price parity across sales channels. Investments in analytics, inventory management, and demand forecasting will help optimize stock allocation, reduce channel overlap, and sustain profitable market share gains.

Exhibit 54: Consumer traffic drives MT and e-com channels' contribution (FY25)



Source: Company, MOFSL

Operational reset: Streamlining inventory and resources

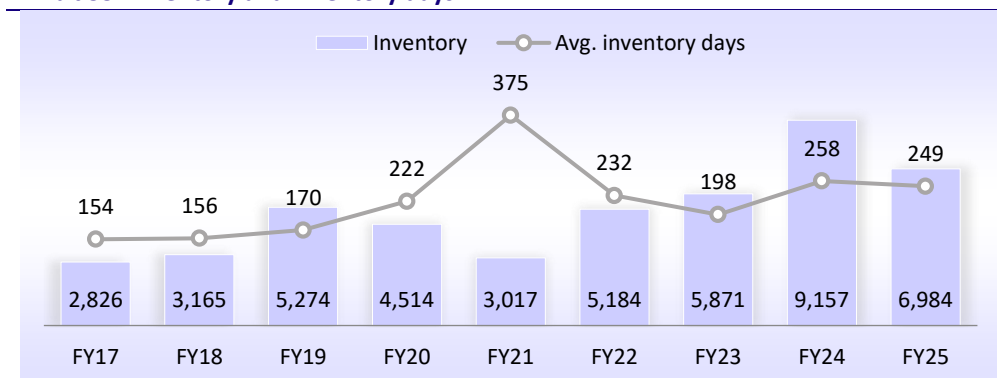
In FY25, VIP undertook a decisive operational overhaul to restore financial discipline, improve supply-chain agility, and strengthen the balance sheet. A targeted inventory correction saw over 2.5m slow-moving soft luggage units cleared through calibrated sales initiatives, avoiding deep discounting that could dilute brand equity.

Concurrently, the warehouse footprint was cut by 0.7m sq. ft., and the Bangladesh operations were resized from 8,500 to 3,500 employees, aligning capacity with market demand. These measures sharply reduced carrying costs and lifted backend efficiency, turning operating cash flow positive at INR2.9b (vs. -INR1.3b LY) and enabling a debt repayment of INR1.2b.

With inventory now right-sized and the supply chain optimized, VIP enters FY26 on a structurally stronger footing. The Bangladesh unit has rebounded to profitability at

60% utilization, with headroom to reach 85%, boosting in-house production. This, combined with a greater focus on premium product lines and reduced China sourcing, is expected to lift gross margins above 50% and deliver EBITDA margins of ~12% from 1QFY26. Strategic guidance from BCG is projected to drive an additional INR2.5b in efficiency and profitability gains, positioning VIP to sustain growth momentum, improve return ratios, and reinforce its market leadership in India's competitive luggage industry.

Exhibit 55: Inventory and inventory days



Source: Company, MOFSL

Financial outlook

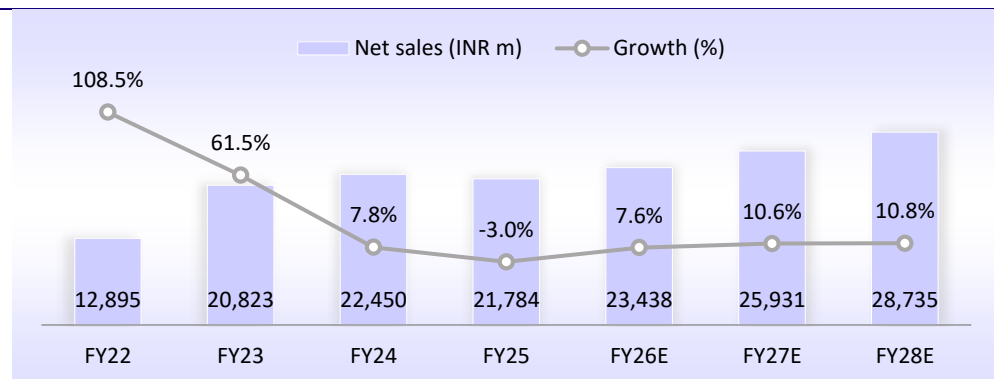
Revenue CAGR is estimated at 10% over FY25-28

VIP posted a modest 3% revenue CAGR over FY19–25, weighed down by prolonged pandemic-related disruptions to travel. The company now appears positioned for a sharp turnaround, with its revenue projected to clock an 10% CAGR during FY25–28E. This stronger trajectory is underpinned by a refreshed strategy focused on portfolio realignment, brand premiumization, and improved operational efficiencies. Notably, the mass-market brand Aristocrat (including Alfa) – contributing ~43% of revenue in FY25 – remains central to VIP’s efforts to recapture market share, which stood at 36% in FY23.

Going forward, reduced dependence on deep discounting should enhance pricing power and realization, while a more contemporary product mix is expected to drive volume-led growth. Structural industry tailwinds – rising disposable incomes, accelerating urbanization, and increasing consumer preference for organized retail – further strengthen the company’s medium-term outlook. Complemented by tighter execution, sharper marketing, and sustained customer engagement, these initiatives are well-placed to drive durable revenue momentum.

VIP is thus entering a phase of profitable growth after years of consolidation.

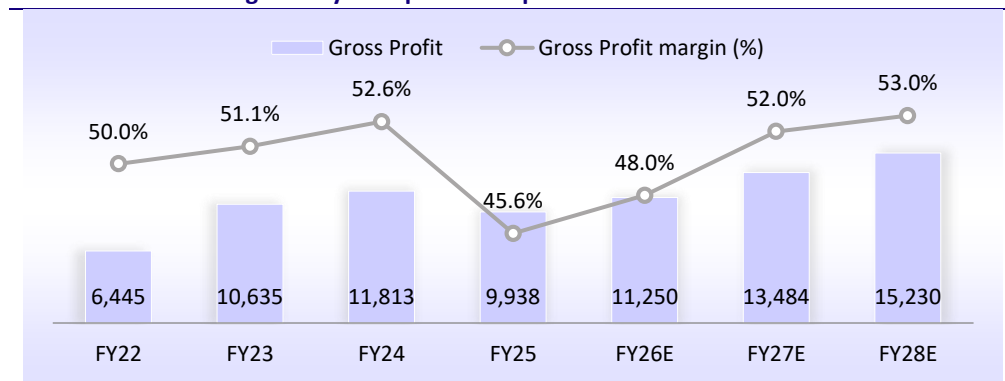
Exhibit 56: Revenue to exhibit a 10% CAGR over FY25-28E



Source: Company, MOFSL

Gross margin estimated to reach 53% in FY28

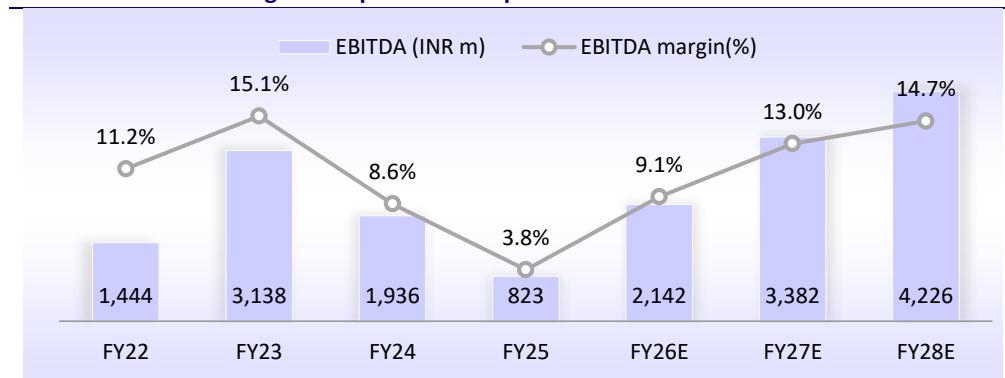
VIP’s gross margin, underpinned by healthy traction in premium and mass-premium segments (~46% in FY25), is projected to expand ~738bp to 53.0% by FY28. The improvement is likely to be fueled by stable raw material costs, a higher share of in-house manufacturing, and reduced reliance on Chinese sourcing. While FY25 margins were temporarily weighed down by pricing pressure and inventory-related provisions, a recovery is likely to set in from 1QFY26, aligning with management’s medium-term target of achieving a 50% gross margin. Additionally, the ramp-up of new product collections—anticipated to contribute ~40% of FY26 revenues—should provide margin upside, given their relatively higher profitability profile.

Exhibit 57: Gross margin likely to expand 738bp


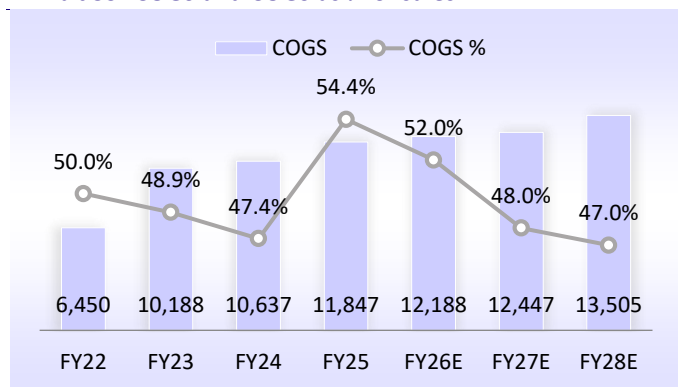
Source: Company, MOFSL

EBITDA margin expected to recover to 14.7% by FY28

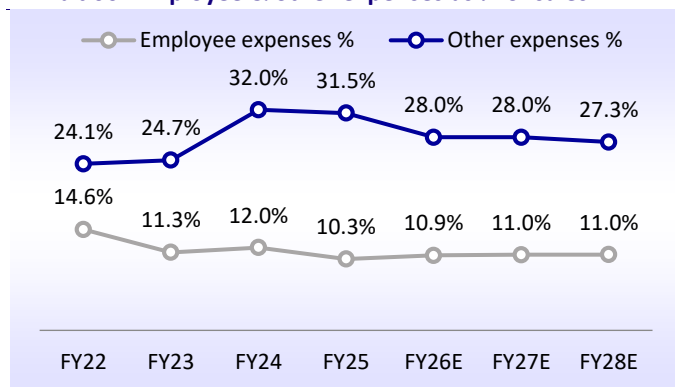
VIP's EBITDA margin has remained volatile over FY19–25, with a sharp contraction to 3.8% in FY25, led by aggressive discounting, underutilization of the Bangladesh facility, elevated warehousing costs, and one-off provisions. With most of these headwinds now addressed, margins are expected to recover in a phased manner. The company's ongoing focus on inventory normalization, cost rationalization, and strategic realignment—supported by its BCG-led transformation program—is anticipated to drive a margin expansion of 1093bp, taking EBITDA margins to 14.7% by FY28E. Consequently, EBITDA is projected to grow at a healthy 73% CAGR to INR4.2b by FY28, underscoring meaningful operating leverage and improved profitability.

Exhibit 58: EBITDA margin to expand ~1093bp to 14.7% over FY25-28E


Source: Company, MOFSL

Exhibit 59: COGS and COGS as % of sales


Source: Company, MOFSL

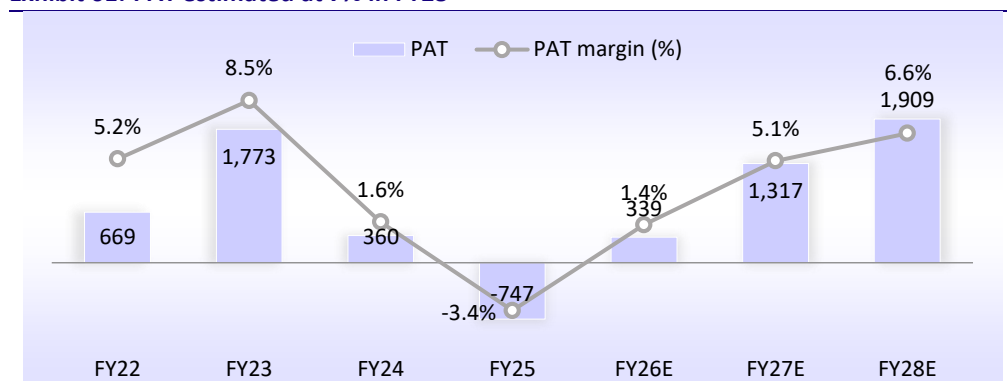
Exhibit 60: Employee & other expenses as % of sales


Source: Company, MOFSL

PAT estimated at 7% in FY28

VIP is expected to register profit over FY26–28E, supported by robust revenue traction and steady margin recovery. While depreciation and finance costs are projected to inch up in line with capacity expansion and working capital requirements, earnings growth is anticipated to outpace topline growth, aided by improving operating leverage and tighter cost discipline. This sustained profitability trajectory underscores the company’s stronger balance sheet position and enhanced ability to generate shareholder value over the medium term.

Exhibit 61: PAT estimated at 7% in FY28

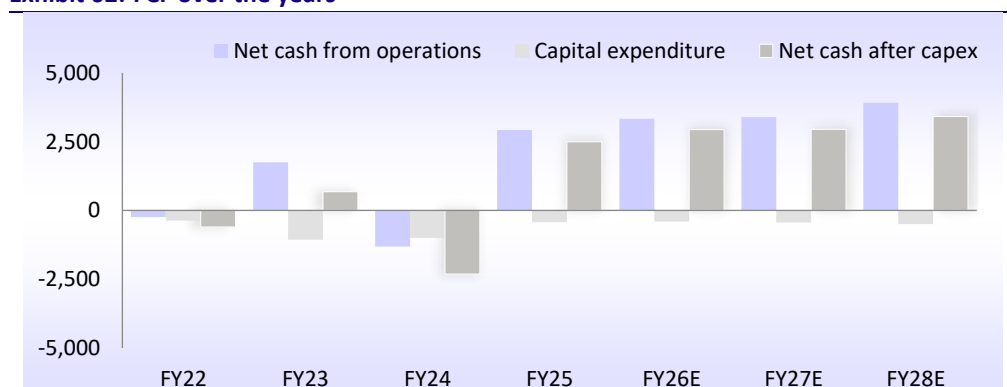


Source: Company, MOFSL

VIP to generate INR9.2b in FCF over FY25-28E

Over FY20-25, VIP generated cumulative free cash flow (FCF) of INR3.4b, primarily supported by profitability from its mature store base. Looking ahead, FCF is projected to scale meaningfully, with the company expected to deliver INR9.2b during FY26–28E. This expansion will be underpinned by tighter working capital management, disciplined capex, and margin expansion. Importantly, improved operational efficiency is expected to translate into superior cash conversion, with EBITDA-to-CFO conversion projected at ~93% by FY28E—highlighting VIP’s robust ability to generate cash and fund growth internally.

Exhibit 62: FCF over the years



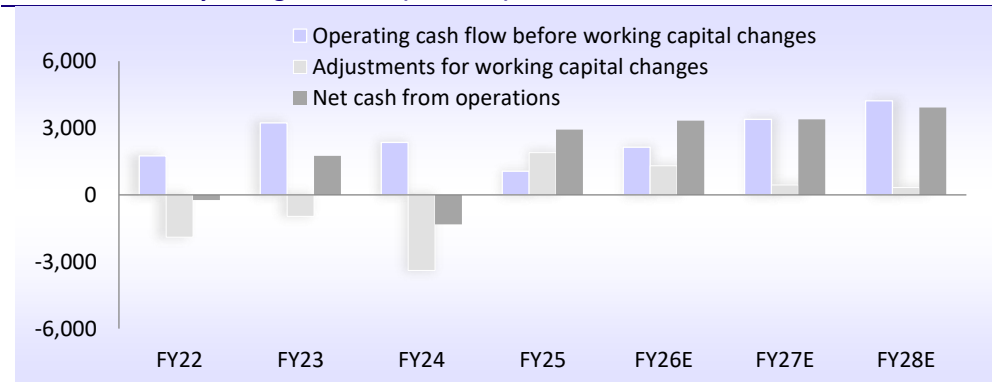
Source: Company, MOFSL

Healthy cash flow from operations

Supported by consistent growth in operating profitability, VIP’s operating cash flow (OCF) before working capital adjustments expanded nearly 4x between FY13 and FY25. Despite occasional fluctuations in FY19 and FY22, working capital discipline

remained largely intact, enabling the company to sustain strong and positive net operating cash flows through most of the past decade. This track record underscores VIP's ability to translate earnings into cash—a key strength that provides resilience during downcycles and flexibility to reinvest for growth.

Exhibit 63: Healthy OCF generation (in INR m)

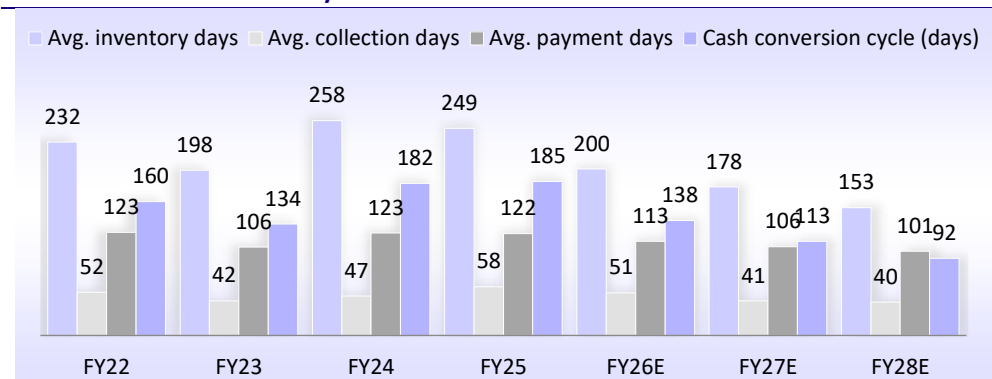


Source: Company, MOFSL

Stable cash conversion cycle over the long run

Historically, VIP maintained a stable cash conversion cycle (CCC) in the range of 100–110 days until the pandemic disrupted operations. Covid-induced lockdowns and a sharp fall in travel demand drove a significant spike in inventory days, rising from 112 in FY19 to 247 in FY21. As demand conditions normalized, CCC improved to 160 days in FY22 and subsequently stabilized within the 140–180 day range through FY25. This reflects the company's ability to restore working capital discipline post-disruption, thereby underpinning consistent cash generation and balance sheet resilience.

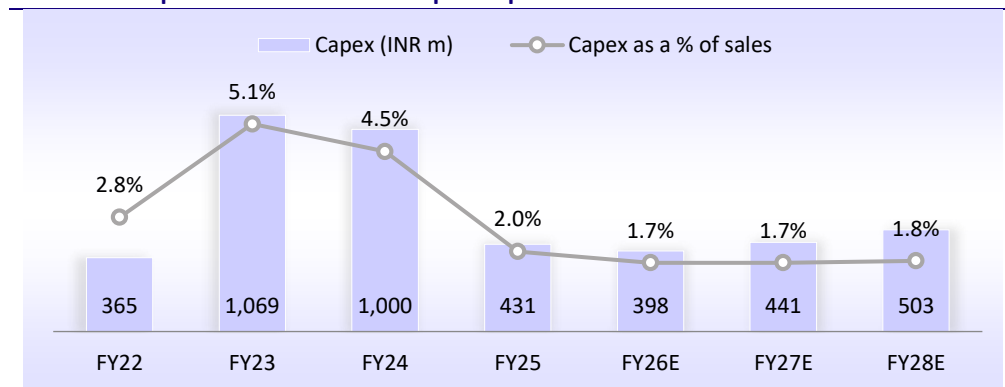
Exhibit 64: Cash conversion cycle



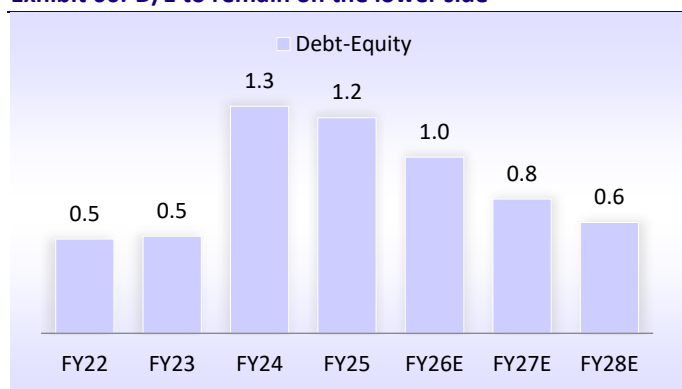
Source: Company, MOFSL

Capex to remain stable despite expansion of EBO stores

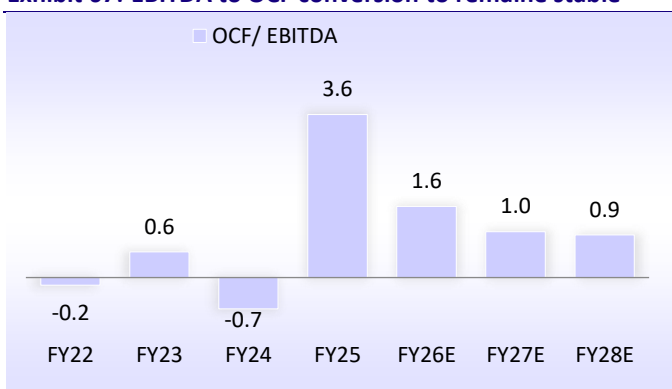
VIP has stepped up investments significantly, with capex of ~INR2.5b incurred in FY23-25. Looking ahead, the company has outlined an aggressive capex program of INR2-2.5b over the next five years, aimed at scaling capacity, strengthening backward integration, and enhancing automation. We have factored in annual capex of INR398m, INR441m, and INR503m in FY26, FY27 and FY28 respectively, indicating a sustained period of elevated investments. These outlays are expected to support long-term growth, improve supply chain resilience, and sharpen competitive positioning in both domestic and export markets.

Exhibit 65: Capex to remain stable despite expansion of EBO stores


Source: Company, MOFSL

Exhibit 66: D/E to remain on the lower side


Source: Company, MOFSL

Exhibit 67: EBITDA to OCF conversion to remain stable


Source: Company, MOFSL

Valuation and View: Initiate coverage with a BUY rating

We expect VIP to be a key beneficiary of multiple structural and company-specific growth drivers, including:

- **Premiumization momentum:** Strong emphasis on portfolio upgrade, with elevated ranges under flagship brands such as Carlton, VIP, and Skybags, aligning with rising consumer aspirations.
- **Scale and execution strength:** Leveraging brand equity, backward-integrated manufacturing capabilities, and a well-entrenched distribution network to efficiently service large-format retail, institutional, and e-commerce contracts.
- **Digital acceleration:** Rising internet penetration and changing consumer behavior are driving a marked shift toward online sales, supported by VIP's enhanced digital strategy and sharper brand communication.

We value the stock using a DCF-based approach, arriving at a target price of INR530 (implied P/E of 47x on Sep'27). **We initiate coverage on VIP with a BUY rating**, as we believe the stock is well-positioned to deliver above-industry earnings growth and sharp margin expansion over the medium term.

Overall, VIP offers a compelling play on India's discretionary consumption growth, supported by improving profitability and robust cash flows.

Key downside risks: A material slowdown in travel and tourism demand, intensified competition—particularly from fast-scaling D2C players—and potential delays in execution of the transformation program.

Exhibit 68: Relative valuation comparison of luggage companies

Companies	Mcap (INR b)	Rating	EPS (INR)			P/E (X)			RoE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
VIP Industries	60	BUY	2.4	9.3	13.4	188.4	48.5	33.5	5.4	18.3	21.6
Safari Industries	106	BUY	42.7	50.0	59.1	51.9	44.4	37.5	20.0	19.6	19.4

Source: Company, Bloomberg, MOFSL

Exhibit 69: Assumptions used in the DCF methodology

Particulars	Rationale	Assumption
Revenue growth	❖ As ~54% of the business comes from the premium segment, we project a revenue CAGR of 10% during FY25-35E.	❖ Expect a CAGR of 10% over FY25-35E.
EBITDA margin	❖ Higher contribution from premium segments, ongoing operational efficiencies, and more calibrated marketing spends.	❖ Expect YoY improvement in margins through FY35.
Capex	❖ The company has cash of ~INR479m as of Mar'25, which it intends to use towards the opening of EBOs and working capital requirements. Management has guided for an annual capex of ~INR400-500m for EBOs.	❖ Expect capex at ~2% of sales over FY25-35E.

Source: Company, MOFSL

Exhibit 70: Free Cash flows

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	23,438	25,931	28,735	31,849	35,205	38,922	43,040	47,603	52,659	58,195
EBITDA	2,142	3,382	4,226	4,857	5,549	6,058	6,828	7,789	8,825	10,033
<i>EBITDA %</i>	<i>9.1%</i>	<i>13.0%</i>	<i>14.7%</i>	<i>15.3%</i>	<i>15.8%</i>	<i>15.6%</i>	<i>15.9%</i>	<i>16.4%</i>	<i>16.8%</i>	<i>17.2%</i>
Less: Capex	(398)	(441)	(503)	(557)	(616)	(701)	(775)	(714)	(843)	(931)
Less: Change in Working Capital	1,300	445	324	(425)	(457)	(505)	(564)	(624)	(691)	(756)
Less: Taxation	(269)	(576)	(760)	(871)	(1,021)	(1,122)	(1,275)	(1,482)	(1,697)	(1,945)
Free Cash Flows	2,774	2,810	3,287	3,004	3,455	3,730	4,214	4,969	5,594	6,401

Source: MOFSL

Exhibit 71: DCF summary (INR m)

WACC	10.20%
NPV	22,710
TVGR	6.00%
NPV of TV	59,882
Enterprise Value	82,592
Cash and Cash Equivalents	479
Debt	-7,511
Equity Value	75,560
No of Equity Shares (m)	142
Value Per Share	530
CMP	450
Upside	18%

Source: MOFSL

Exhibit 72: Sensitivity using TVGR and WACC

	9.2%	9.7%	10.2%	10.7%	11.2%
5.0%	580	500	450	400	360
5.5%	640	550	490	430	390
6.0%	720	620	530	470	410
6.5%	840	700	590	510	450
7.0%	1,010	810	670	570	490

Source: MOFSL

Bull and Bear cases



Bull case

- ✓ In our Bull Case, we assume a revenue CAGR of ~12% over FY25–28E, led by stronger-than-expected volume growth in the hard luggage segment. Higher throughput is expected to drive operating leverage benefits, resulting in an EBITDA margin expansion to 14.9% by FY28 (vs. 3.8% in FY25). Under these assumptions, our DCF-based valuation works out to INR610/share.

Exhibit 73: Scenario analysis – Bull case

	FY26E	FY27E	FY28E
Net Revenue	24,398	27,326	30,605
EBITDA	2,278	3,619	4,562
APAT	702	2,432	3,518
Change YoY (%)	-202.1	246.4	44.7
Revenue Growth (%)	12.0	12.0	12.0
EBITDA Margin (%)	9.3	13.2	14.9
RoE (%)	10.8	30.7	34.5
EPS	4.9	17.1	24.8
Target price (INR)	610		
Upside (%)	36%		

Source: MOFSL



Bear case

- ✓ In our Bear Case, we build in a muted revenue CAGR of 9% over FY25–28E, reflecting softer-than-expected volume growth in the hard luggage segment. Limited operating leverage in this environment is likely to weigh on profitability, with EBITDA margins expected to decline to 14.5% by FY28 (vs. 3.8% in FY25). Based on these assumptions, our DCF-based fair value estimate stands materially lower, at INR490/share, underscoring the earnings sensitivity to volume growth and margin recovery.

Exhibit 74: Scenario analysis – Bear case

	FY26E	FY27E	FY28E
Net Revenue	23,091	25,400	27,941
EBITDA	2,064	3,262	4,053
APAT	488	2,075	3,009
Change YoY (%)	-170.9	325.6	45.0
Revenue Growth (%)	6.0	10.0	10.0
EBITDA Margin (%)	8.9	12.8	14.5
RoE (%)	7.6	27.2	30.9
EPS	3.4	14.6	21.2
Target price (INR)	490		
Upside (%)	9%		

Source: MOFSL

Key risks and concerns

Rapidly changing consumer demand trends

The luggage industry is witnessing a steady shift from functional, basic products toward more innovative and design-led offerings. Historically, VIP's pace of product innovation lagged market trends, contributing to share erosion. While the company has since recalibrated its strategy and introduced refreshed collections, failure to consistently align with evolving consumer aspirations poses a risk of renewed market share loss.

Commodity price volatility

As a manufacturer heavily reliant on plastic and polymer-based raw materials, VIP's cost structure is sensitive to volatility in crude oil prices. A sharp increase in input costs, if not offset through pricing actions or efficiency gains, could exert pressure on margins—particularly in the price-sensitive mass-market segment under Aristocrat.

Intensifying market competition

The Indian luggage industry is highly competitive, characterized by both organized and unorganized players that are fragmented in nature. In the premium category, VIP competes directly with global majors such as Samsonite and American Tourister, while in the mass segment, domestic rivals like Safari Industries continue to gain share through aggressive pricing and distribution expansion. Sustained competitive pressures may limit pricing flexibility and slow margin recovery.

The ownership transition: Change in sentiments

The Open Offer

VIP's promoter group, led by Dilip Piramal, has entered into a definitive agreement to divest up to 32% of its holding to a consortium led by Multiples Private Equity, alongside prominent investors Aakash Bhansali and Mithun Sacheti. In line with the SEBI takeover regulations, the deal triggers a mandatory open offer for an additional 26% stake at INR388 per share, potentially raising the consortium's ownership to as much as 58%. The transaction, valued at ~INR32b, paves the way for a change in management control, with Multiples poised to assume operational leadership, while Dilip Piramal transitions to a non-executive role as Chairman Emeritus.

Promoter's view and strategic rationale

Commenting on the development, Dilip Piramal acknowledged that VIP has faced a "management crisis" in recent years, with market share erosion and underperformance despite strong industry fundamentals. He underscored that Multiples brings "skin in the game," along with the professional discipline and execution focus required to steer VIP back to sustainable growth. Mr. Piramal emphasized that this transition marks a fresh phase—one aimed at rejuvenating VIP's legacy, reclaiming market leadership, and capitalizing on long-term industry tailwinds.

Implications for strategy and execution

The incoming consortium's involvement marks a decisive shift towards professionalization and aggressive market recapture. With Safari Industries having surpassed VIP in both market capitalization and profitability, the new leadership is expected to actively recalibrate VIP's pricing strategy, distribution network, and product innovation agenda. We highlight this ownership transition as a potential inflection point, with expectations of sharper execution, renewed brand investments, and deeper digital channel penetration. Importantly, professional shareholder oversight is likely to foster greater accountability, enhance governance, and catalyze VIP's turnaround journey.

Company background

Incorporated in 1968 as Aristo Plast Pvt. Ltd., VIP has evolved into one of India’s most recognized and trusted luggage brands. The launch of the iconic ‘VIP’ brand in 1971 marked a turning point, prompting a rechristening to VIP Industries Ltd. Over the decades, the company has built a diversified portfolio and today operates through five brands—VIP, Skybags, Aristocrat, Carlton, and Caprese—spanning the entire price-value spectrum. While Aristocrat addresses the value-conscious segment, VIP and Skybags capture the mass and mid-economy categories, Carlton positions the company in the premium space, and Caprese extends the brand into women’s handbags and accessories.

On the manufacturing front, VIP operates one hard luggage facility in Nashik with an installed capacity of ~0.66m units per month and a robust network of eight soft luggage plants in Bangladesh’s special economic zones with a combined capacity of ~0.64m units per month. This dual footprint not only makes VIP the largest luggage manufacturer in India but also the first—and currently the only—player to establish production capacities outside the country, enabling scale economies and cost competitiveness.

The company’s distribution model is equally extensive, spanning multiple channels. VIP enjoys strong placements in large-format retail chains such as Dmart and Reliance Retail, holds a dominant position in the CSD (Canteen Stores Department) and general trade, and has a widespread reach across 1400 towns. Its 404 exclusive brand outlets (EBOs), complemented by e-commerce platforms, provide robust brand visibility and consumer access across urban and semi-urban markets.

At the governance level, VIP’s Board is represented by seasoned industry professionals with expertise in retail, sales and marketing, operations, finance, and governance systems. The management team and functional leadership bring deep domain experience, collectively guiding the company’s ongoing transformation and growth journey.

Exhibit 75: Key milestones

Year	Milestone
1968	❖ Incorporated as Aristo Plast Pvt Ltd
1971	❖ Launched the flagship brand 'VIP'
1973	❖ First manufacturing plant commissioned at Nashik
1978	❖ Launched 'Aristocrat'
1981	❖ Changed name to VIP Industries Ltd
1995	❖ Second manufacturing plant commissioned at Sinnar, Nashik
2011	❖ Launched 'Skybags'
2012	❖ Launched 'Carlton'
2013	❖ Launched 'Caprese'
2014	❖ Touched a turnover of ~INR10b; commissioned the first manufacturing plant in Bangladesh under a new subsidiary
2017	❖ Launched Aristocrat in a new identity to capture the economy segment
2018	❖ Commissioned the second and third plants in Bangladesh
2019	❖ Commissioned the fourth, fifth, and sixth plants in Bangladesh
2023	❖ Total manufacturing capacity extended to ~1.3m bags per month
2024	❖ Paused soft luggage production in Bangladesh; began transformation with BCG, focused on premiumization and efficiency
2025	❖ Scaled down soft luggage capacity; intensified its focus on premium brands with improved margin guidance

Source: Company, MOFSL

Diversified product portfolio

VIP has developed a comprehensive and diversified product portfolio that spans categories, customer segments, and price points—positioning the company as a one-stop travel and lifestyle solutions provider. At its core is an extensive luggage offering, encompassing both hard and soft luggage formats.

- **Hard luggage:** Manufactured using durable materials such as polycarbonate and ABS; this segment emphasizes strength, longevity, and modern design. Products are marketed under flagship brands such as VIP, Carlton, and Skybags, targeting the mid-to-premium customers who value both resilience and style.
- **Soft luggage:** Designed for flexibility, lightweight, and affordability, the soft luggage portfolio includes duffel bags, trolleys, and overnighters. These offerings cater to value-conscious travelers as well as mass-market consumers and are primarily sold under the Aristocrat and VIP brands.

By addressing the entire spectrum of consumer needs—from economy to premium—the company has created a well-rounded portfolio that supports market share across diverse customer cohorts and strengthens resilience against demand fluctuations within any single segment.

Exhibit 76: Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment
VIP	Luggage (hard/soft), accessories	Family & business travelers	Economy to Mid-premium
Skybags	Luggage, backpacks, school bags	Youth, students	Economy to Mid-premium
Aristocrat	Value luggage, duffels, backpacks	Price-conscious buyers	Economy
Carlton	Premium luggage, business gear	Frequent flyers, professionals	Premium
Caprese	Handbags, women's accessories	Urban women	Mid-premium to premium

Source: Company, MOFSL

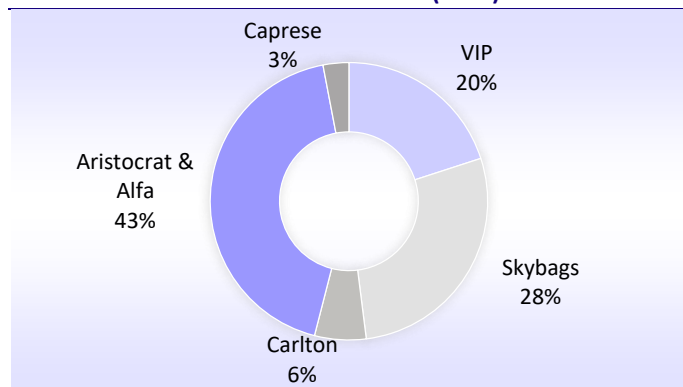
Exhibit 77: Product portfolio



Source: Company, MOFSL

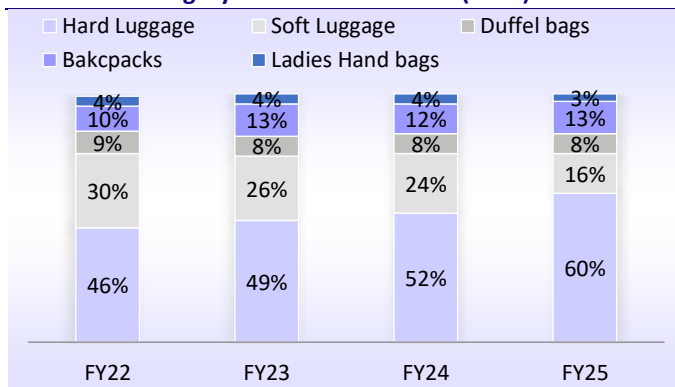
This diversified product strategy enables VIP to mitigate risks from demand seasonality and macroeconomic cycles, ensuring greater stability across varying consumption environments. The company's broad portfolio also facilitates a balanced channel presence—spanning general trade, modern retail, exclusive brand outlets (EBOs), and fast-growing online platforms—providing multiple touchpoints to engage with consumers. By combining breadth (coverage across value-to-premium price points) with depth (differentiated designs and formats within each segment), VIP has built a sustainable competitive edge. This agility positions the company to quickly adapt to evolving consumer preferences across demographics, income groups, and geographies, thereby strengthening its long-term market leadership.

Exhibit 78: Brand-wise revenue share (FY25)



Source: Company, MOFSL

Exhibit 79: Category-wise revenue share (FY25)



Source: Company, MOFSL

ESG initiatives



Environment

- VIP sources its primary raw materials—polymers and aluminum—from reputable manufacturers to ensure consistent quality and reliability. As part of its sustainability drive, the company is actively researching and developing the use of recycled materials in its hard luggage production to reduce its carbon footprint.
- The company operates with a zero-waste-to-landfill policy across its manufacturing plants. All raw material waste is either reprocessed in-house or repurposed for use in other industrial applications, ensuring minimal environmental impact from manufacturing byproducts.
- Significant investments have been made in energy-efficient machinery and optimized manufacturing processes at its facilities, aimed at reducing energy consumption and lowering overall greenhouse gas emissions.

Social

VIP has implemented a holistic approach to social responsibility, emphasizing community development and workforce inclusion. Key highlights include:

- The company actively promotes education and sports initiatives, supporting local communities and encouraging youth development through partnerships and sponsorships.
- VIP places strong emphasis on improving gender diversity within its workforce, particularly at its manufacturing facilities in India and Bangladesh. It champions inclusive hiring practices and enforces fair employment policies to ensure equal opportunities and a supportive work environment for all employees.

Governance

VIP is committed to maintaining the highest standards of corporate governance and ethical conduct. The company fosters a culture of integrity through a robust framework designed to detect and address unethical behavior. Key components include:

- Implementation of a Whistleblower Policy and an independent vigil mechanism that provides employees, directors, and stakeholders with confidential channels to report any suspected fraud, unethical conduct, or violations of the company's Code of Conduct or relevant laws.
- The company ensures prompt investigation and resolution of reported concerns, safeguarding whistleblowers against retaliation and promoting transparency and accountability at all organizational levels.

SWOT analysis



Strengths

- ❖ Strong brand portfolio: VIP boasts well-recognized brands across segments, including VIP, Carlton, Aristocrat, Skybags, and Caprese, catering to a wide range of customer profiles and price points.
- ❖ Pan-India distribution: A broad, multi-channel presence including modern trade, exclusive brand outlets (500+ EBOs), and deep GT coverage across 940+ towns.
- ❖ Largest manufacturer: Leading manufacturing footprint with plants in Nashik (hard luggage) and Bangladesh (soft luggage) providing scale advantages and cost competitiveness.
- ❖ Product diversification: Comprehensive product range across hard and soft luggage, targeting economy to premium segments, reducing dependency on any single category.
- ❖ Experienced leadership: A strong Board and seasoned management team supported recently by private equity investment, driving strategic transformation.



Weaknesses

- ❖ Declining market share: Market share dropped from ~47% in 2019 to ~37% in 2024, with competitors like Safari gaining ground.
- ❖ Limited premium segment presence: Premium products form a smaller slice (~12% revenue) compared to competitors (e.g., Samsonite at 30%), limiting exposure to higher-margin segments.
- ❖ Vulnerability to travel trends: With ~60% revenue linked to travel products, the company is sensitive to disruptions and shifts in travel demand.
- ❖ Inconsistent customer service: Varied consumer experience, especially in tier-2 and tier-3 cities, adversely impacting brand loyalty and repeat business.



Opportunities

- ❖ Growing luggage market: The global luggage market is projected to grow steadily (4.5%-8.7% CAGR), supported by rising travel and lifestyle spending.
- ❖ E-commerce growth: Expanding digital sales channels offer a significant avenue for revenue growth, especially with increasing internet penetration in India.
- ❖ Post-pandemic travel recovery: Resumption of travel is likely to drive demand for luggage, benefiting brands such as VIP.
- ❖ Premiumization trend: Opportunity to grow share in premium and mass-premium categories through new product innovation and branding.
- ❖ Geographical expansion: Potential to improve presence in emerging markets such as Southeast Asia and Africa, where rivals have better traction.



Threats

- ❖ Intense competition: Fierce rivalry from global brands like Samsonite and American Tourister and aggressive domestic competitors such as Safari Industries, which have gained market share
- ❖ Economic slowdown: Consumer discretionary spending can weaken during economic downturns, affecting luggage sales.
- ❖ Rising production costs: Inflationary pressures on raw materials and labor increased cost base, squeezing margins if not passed on.
- ❖ Changing consumer preferences: Rapidly evolving fashion and travel accessory trends require continuous innovation and agility, risking obsolescence.

Management Team



Mr. Dilip Piramal (Chairman)

Mr. Dilip Piramal is a commerce graduate and a pioneering industrialist with over 50 years of experience in the luggage industry. He has been a cornerstone in establishing and growing VIP into one of India's most iconic and trusted luggage brands. Known for his visionary leadership, Mr. Piramal has steered the company through multiple growth phases and market challenges. Following the recent ownership transition in 2025, he is expected to assume the role of Chairman Emeritus, continuing to lend his strategic guidance and industry expertise while the new consortium takes operational control.



Ms. Radhika Piramal (Vice Chairman)

An Oxford graduate with an MBA from Harvard Business School, Ms. Radhika Piramal brings over a decade of strategic leadership experience in the luggage and travel accessories sector. She has been instrumental in shaping VIP's growth trajectory and driving innovation in product and market strategy. Her prior experience includes consultancy roles and tenure at Carlton Travel Goods, London, equipping her with a global perspective and strong operational acumen.



Ms. Neetu Kashiramka (Managing Director)

Ms. Kashiramka is a Chartered Accountant with over 20 years of extensive cross-industry experience in finance, strategy, and operations. She has played a key role in driving innovation, operational excellence, and aligning VIP's business strategies with evolving market demands. Before she was appointed as the Managing Director, she served as CFO and Executive Director, demonstrating strong leadership in financial stewardship and corporate governance.



Mr. Ashish Saha (Executive Director)

With specialized expertise in manufacturing and production processes, Mr. Ashish Saha holds a postgraduate diploma in Dye and Moulding. He oversees the manufacturing operations at VIP, focusing on quality control, efficiency, and process enhancements, which are critical to maintaining the company's competitive edge.



Mr. Manish Desai (Chief Financial Officer)

Mr. Manish Desai is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi, with over 25 years of comprehensive experience spanning project finance, revenue, and financial accounting—including consolidation and management information systems (MIS), treasury, statutory and internal audits, direct and indirect taxation, and US GAAP financial reporting. His expertise extends to active participation in management reviews and board meetings, ensuring robust financial governance and strategic oversight. Mr. Desai joined VIP as CFO in February 2024, bringing in-depth financial leadership to support the company's growth and transformation agenda.

Financials and valuations

Consolidated Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	6,186	12,895	20,823	22,450	21,784	23,438	25,931	28,735
Change (%)	-63.9	108.5	61.5	7.8	-3.0	7.6	10.6	10.8
Raw Materials	3,662	6,450	10,188	10,637	11,847	12,188	12,447	13,505
Gross Profit	2,524	6,445	10,635	11,813	9,938	11,250	13,484	15,230
Employee Cost	1,376	1,887	2,356	2,698	2,253	2,546	2,841	3,159
Other Expenses	1,801	3,114	5,141	7,180	6,862	6,563	7,261	7,845
Total Expenditure	6,838	11,451	17,685	20,514	20,961	21,296	22,549	24,509
% of Net Sales	110.6	88.8	84.9	91.4	96.2	90.9	87.0	85.3
EBITDA	-653	1,444	3,138	1,936	823	2,142	3,382	4,226
Margin (%)	-10.6	11.2	15.1	8.6	3.8	9.1	13.0	14.7
Depreciation	779	700	737	995	1191	1064	1077	1187
EBIT	-1,432	744	2,401	941	-368	1,077	2,306	3,039
Interest	298	246	285	550	732	754	731	695
Other Income	484	364	171	118	109	129	182	201
PBT Before EO Exp	-1,246	862	2,287	508	-991	452	1,756	2,545
EO Items	0	0	322	-258	-78	0	0	0
PBT After EO Exp	-1,246	862	1,965	766	-912	452	1,756	2,545
Tax	-271	192	442	223	-224	113	439	636
Rate (%)	21.8	22.3	22.5	29.1	24.6	25.0	25.0	25.0
Reported PAT	-975	669	1523	543	-688	339	1317	1909
MI & P/L of Asso. Cos								
Adjusted PAT	-975	669	1773	360	-747	339	1317	1909
Change (%)	-165.8	-168.7	164.9	-79.7	-307.4	-145.4	288.2	44.9

Consolidated Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	283	283	283	284	284	284	284	284
Reserves	4,889	5,314	6,134	6,495	5,878	6,236	7,572	9,500
Net Worth	5,172	5,597	6,417	6,779	6,162	6,520	7,856	9,784
Minority Interest								
Loans	3,534	2,982	3,523	8,712	7,511	6,503	5,972	6,141
Deferred Tax Liability	10	9	5	0	-	-	-	-
Capital Employed	8,717	8,588	9,944	15,491	13,673	13,022	13,828	15,925
Gross Block	1,733	1,950	2,495	3,389	3,605	4,003	4,444	4,947
Less: Accum. Deprn.	784	970	1,012	1,318	1,675	2,035	2,395	2,796
Net Fixed Assets	949	980	1,483	2,070	1,930	1,968	2,049	2,151
Capital WIP	20	71	147	133	177	177	177	177
Other Non-Current Assets	2,598	2,248	2,404	4,139	4,341	4,212	4,143	4,004
Curr. Assets	7,384	9,003	10,120	14,323	12,116	11,423	12,209	14,743
Inventory	3,017	5,184	5,871	9,157	6,984	6,344	5,797	5,550
Account Receivables	1,485	2,185	2,554	3,276	3,683	2,890	2,984	3,306
Cash and Cash Equivalent	905	207	365	463	479	1,219	2,459	3,919
Cash	204	173	331	434	380	1,120	2,359	3,820
Bank Balances	701	34	34	29	99	99	99	99
Others	1,977	1,426	1,330	1,427	969	969	969	1,967
Curr. Liability & Prov.	2,233	3,714	4,209	5,175	4,891	4,757	4,750	5,150
Account Payables	1,540	2,824	3,087	4,069	3,863	3,673	3,581	3,885
Provisions & Others	692	890	1,122	1,106	1,028	1,084	1,169	1,265
Net Current Assets	5,151	5,288	5,911	9,148	7,225	6,665	7,459	9,593
Application of Funds	8,717	8,588	9,944	15,491	13,673	13,022	13,828	15,925

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)	-6.9	4.7	12.5	2.5	-5.3	2.4	9.3	13.4
Growth (%)	-165.8	-168.7	164.9	-79.8	-307.3	-145.4	288.2	44.9
Cash EPS	-1.4	9.7	17.8	9.5	3.1	9.9	16.9	21.8
Book Value	36.6	39.6	45.4	47.8	43.4	45.9	55.3	68.9
DPS	0.0	2.5	4.5	2.0	0.0	0.0	0.0	0.0
Payout (incl. Div. Tax.)	0.0	52.8	35.9	78.8	0.0	0.0	0.0	0.0

Valuation (x)

P/E	-61.6	89.7	33.9	167.5	-80.8	177.9	45.8	31.6
Cash P/E	-307.2	43.9	23.9	44.5	136.0	43.0	25.2	19.5
EV/EBITDA	-96.0	43.5	20.1	35.4	81.9	30.6	18.9	14.8
EV/Sales	10.1	4.9	3.0	3.1	3.1	2.8	2.5	2.2
Price/Book Value	11.6	10.7	9.4	8.9	9.8	9.3	7.7	6.2
Dividend Yield (%)	0.0	0.6	1.1	0.5	0.0	0.0	0.0	0.0

Profitability Ratios (%)

RoE	-17.3	12.4	29.5	5.5	-11.5	5.4	18.3	21.6
RoCE (post-tax)	-8.0	10.6	23.0	6.6	-0.2	8.2	15.3	17.5
RoIC (post-tax)	-19.8	9.6	28.3	7.5	-2.8	9.9	23.6	30.2

Turnover Ratios

Debtors (Days)	123	52	42	47	58	51	41	40
Creditors. (Days)	251	123	106	123	122	113	106	101
Inventory (Days)	375	232	198	258	249	200	178	153
Asset Turnover (x)	0.7	1.5	2.1	1.4	1.6	1.8	1.9	1.8

Leverage Ratio

Net Debt/Equity (x)	0.7	0.5	0.5	1.3	1.2	1.0	0.8	0.6
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Consolidated Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA	-653	1,444	3,138	1,936	823	2,142	3,382	4,226
WC	1,389	-1,901	-962	-3,391	1,899	1,300	445	324
Others	144	305	92	416	242	-	-	-
Direct taxes (net)	-29	-86	-519	-278	-41	-113	-439	-636
CF from Op. Activity	851	-237	1,749	-1,318	2,923	3,329	3,389	3,914
Capex	-122	-365	-1,069	-1,000	-431	-398	-441	-503
FCFF	729	-602	680	-2,318	2,492	2,930	2,948	3,411
Interest income	24	114	9	1	2	129	182	201
Others	-1,353	1,712	216	239	-37	-575	-647	-1,645
CF from Inv. Activity	-1,451	1,461	-845	-760	-466	-845	-907	-1,947
Share capital	-	-	-	-	0	19	19	19
Borrowings	1,215	-310	583	3,518	-1,175	-1,000	-900	-200
Finance cost	-61	-147	-164	-330	-465	-754	-731	-695
Dividend	-4	-355	-638	-288	-7	-	-	-
Others	-415	-443	-527	-721	-863	-8	369	369
CF from Fin. Activity	735	-1,255	-746	2,179	-2,511	-1,743	-1,243	-506
(Inc)/Dec in Cash	136	-31	158	102	-53	740	1,239	1,460
Opening balance	69	204	173	331	433	380	1,120	2,359
Closing balance	204	173	331	433	380	1,120	2,359	3,820

E: MOFSL Estimates

Safari Industries

BSE Sensex
81,425

S&P CNX
24,973

CMP: INR2,220

TP: INR2,700 (+22%)

Buy

safari

Stock Info

Bloomberg	SII IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	109.3 / 1.2
52-Week Range (INR)	2837 / 1670
1, 6, 12 Rel. Per (%)	7/2/-10
12M Avg Val (INR M)	134
Free float (%)	54.6

Financial Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	17.7	20.5	23.8
EBITDA	2.3	3.2	3.7
Adj. PAT	1.4	2.1	2.4
EPS (INR)	29.2	42.7	50.0
EPS Gr.%	-19.0	46.3	17.0
BV/Sh. (INR)	195.0	233.4	278.3

Ratios

Net D:E	-0.1	-0.2	-0.3
RoE (%)	16.1	20.0	19.6
RoCE (%)	14.9	18.4	17.7
Payout (%)	5.1	10.3	10.3

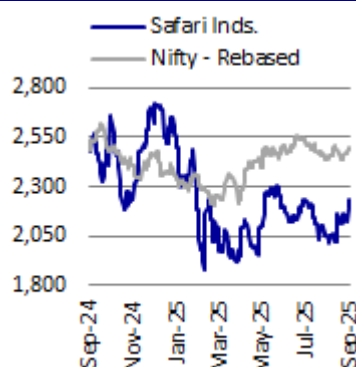
Valuation

P/E (x)	76.0	51.9	44.4
P/B (x)	11.4	9.5	8.0
EV/EBITDA (x)	47.8	33.5	28.1
Div. yield (%)	0.1	0.2	0.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	45.4	45.4	45.7
DII	24.7	23.7	21.8
FII	13.1	13.3	12.7
Others	16.9	17.6	19.8

Stock Performance (1-year)



Safari: Where aspiration meets adventure!

- Safari Industries (SI) is one of India's fastest-growing luggage brands, delivering a 36% revenue CAGR over FY22-25, outpacing the industry's CAGR at 26% over CY21-24. The company is strategically focused on the economy/mass market category, benefiting from a robust all-India distribution network, expanded retail operations, and a diversified product portfolio.
- Management's sharp execution and focus on innovation, pricing, and branding underpin its healthy performance. SI clocked a strong 10-year revenue CAGR of 23%, with ~30% share between the top 3 players in the industry. Ongoing capacity ramp-ups, especially in hard luggage at the Jaipur facility, will bolster the company's supply chain advantages over its unorganized competitors.
- SI is well-positioned to further leverage the shift towards branded luggage, travel recovery, and increased brand aspiration among value-conscious customers. Key growth drivers include broadening into categories like backpacks and accelerated distribution through online and offline channels.
- We forecast industry-leading growth for SI with revenue/EBITDA/PAT CAGR of 16%/25%/27% over FY25-FY28E, with improving return ratios as scale builds. We initiate coverage with a BUY rating and a DCF based TP of INR2,700 (implied P/E of 50x on Sep'27), reflecting our confidence in SI's superior execution and long-term prospect.

Transformation: Supported by robust strategy and execution

SI has undergone a remarkable transformation—from a soft-luggage-focused, low-investment entity to a rapidly scaling brand with a diversified product portfolio and owned manufacturing capabilities. The company aggressively expanded into hard luggage, backpacks, and laptop bags, significantly increased advertising spending, and acquired several value-segment brands. It established two factories in Halol and one in Jaipur, boosting monthly production capacity from 25,000 to 625,000 units, which further scaled to 1.15m. Under experienced leadership, SI has gained sharper strategic agility and foresight, capturing a larger share of the value-conscious market.

Strategic evolution: From mass market to modern mobility

SI has evolved from a mass-market contender into a formidable challenger with increasing premium appeal in India's luggage sector. Rooted in hard luggage and utility backpacks, the company is strategically enhancing its portfolio with upscale offerings. New sub-brands such as Urban Jungle and Safari Select cater to younger urban consumers and business professionals through stylish, feature-rich products. Meanwhile, the Genie (designed for teenage and young female) brand is being revitalized with aesthetic upgrades to attract fashion-conscious young adults. This multi-tiered branding approach is steadily driving up average selling prices while enabling SI to capture both value-driven and aspirational customer segments.

Expanding reach: Channel diversification and digital integration

SI has strategically expanded its market reach through a diversified channel mix and seamless digital integration. Operating across general trade, modern trade, exclusive brand outlets (EBOs), and e-commerce, the company ensures broad consumer accessibility. EBOs enhance brand visibility and customer experience for premium products, while modern trade drives significant revenue in urban areas. Post-pandemic, e-commerce has become a vital growth engine, contributing ~40% of total revenue through enhanced product visualization and targeted marketing. To mitigate channel conflicts, SI employs a differentiated SKU strategy across platforms. Its expansion is balanced and efficient—with EBOs leveraging an asset-light franchise model and digital presence amplified via leading marketplaces and direct-to-consumer platforms. This comprehensive omnichannel approach enables SI to effectively capture diverse consumer segments while fostering scale and profitability.

Financial outlook

SI, a leading player in the mass-luggage industry with ~30% share between the top 3 players, has outpaced industry growth and reported a revenue CAGR of 36% over FY22-25. We expect SI to deliver industry-beating growth and expand its market share by focusing on 1) building the Urban Jungle brand along with Safari-Select (premium positioning), 2) ramping up capacity utilization at Jaipur, 3) developing in-house manufacturing of ancillary components, and 4) adding 50 EBOs every year. We model a revenue/ EBITDA/APAT CAGR of 16%/25%/27% over FY25-FY28, driven by healthy volume growth and an improving margin profile.

Valuation and recommendation

With strong operating performance, improving FCF to INR2.7b in FY28E and RoE from 16.1% in FY25 to 19.4% in FY28E, we **initiate coverage on SI with a BUY rating** and a DCF based TP of INR2,700 (implied P/E of 50x on Sep'27).

Key risks and concerns

Key risks would include: 1) economic slowdown, 2) raw material price volatility, 3) intense competition, 4) high dependency on travel & tourism, and 5) margin pressure due to higher discounting in e-commerce and modern trade channels.

Story in Charts

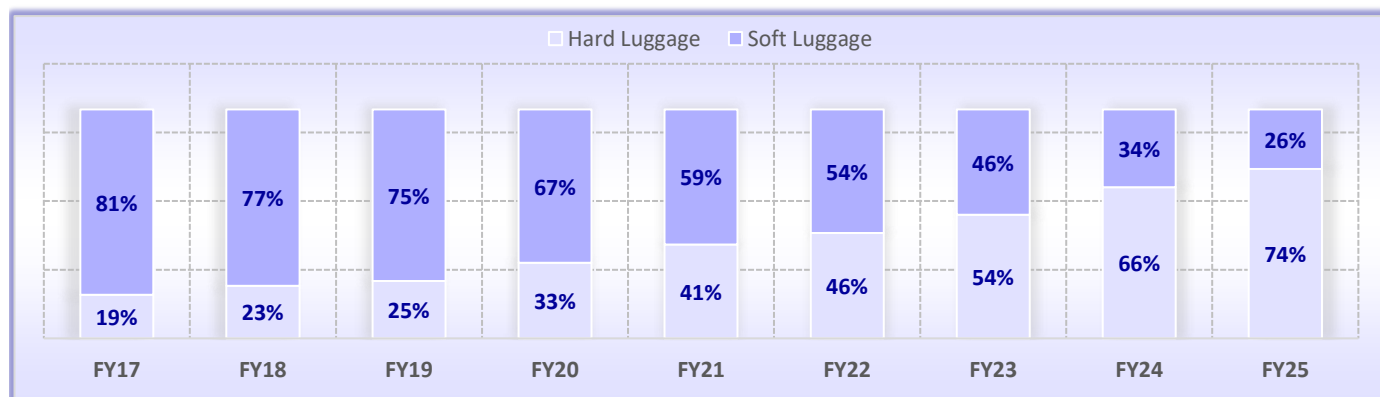
Product portfolio



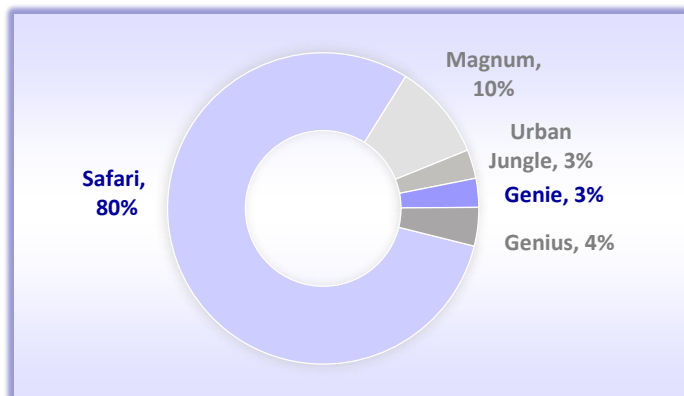
Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment
Safari	Hard & soft luggage, backpacks, school bags, laptop bags, duffle bags	Value-conscious families, students, and young professionals	Value and Premium
Urban Jungle	Hard & soft luggage, duffle bags, backpacks	Young Affluent	Premium
Genie	Hard & soft luggage, backpacks	Young Girls and Women	Value and Premium
Magnum	Hard & soft luggage, backpacks	Mass aspirational consumer segment	Value
Genius	Soft luggage, duffle bags, backpacks	Kids	Value and Premium

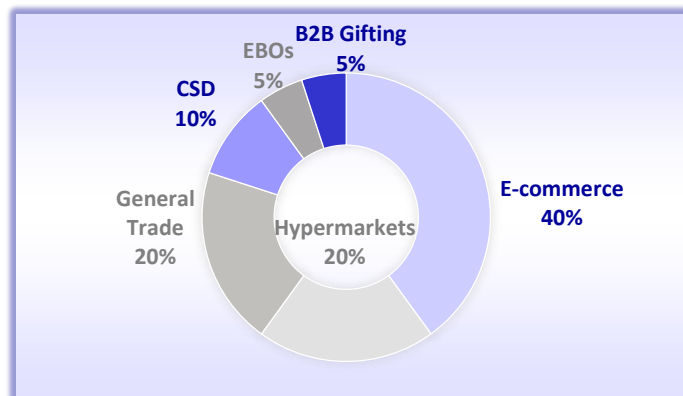
Hard and soft luggage mix



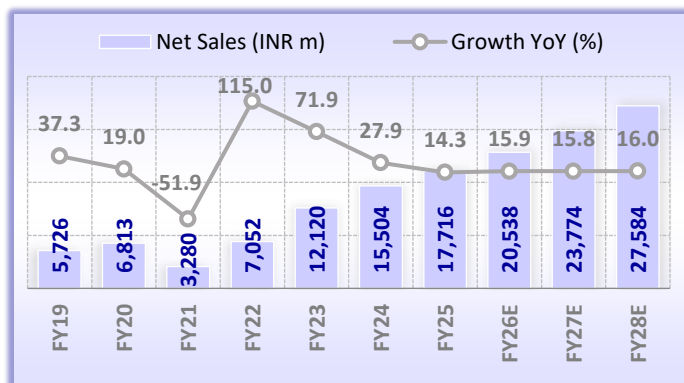
Brand-wise revenue share (FY25)



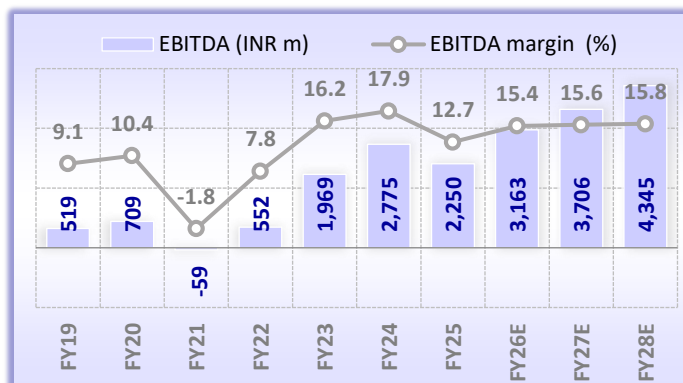
Channel-wise revenue share (FY25)



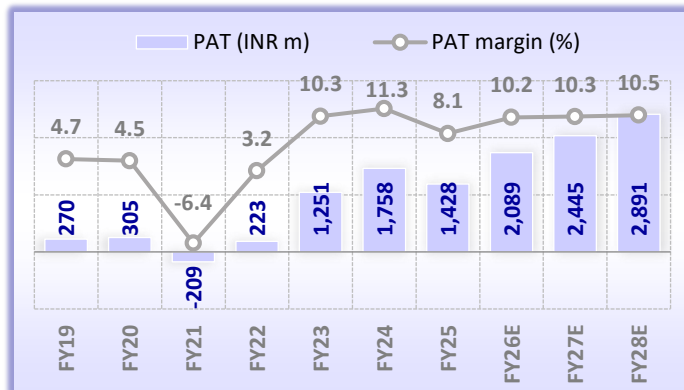
Revenue trend



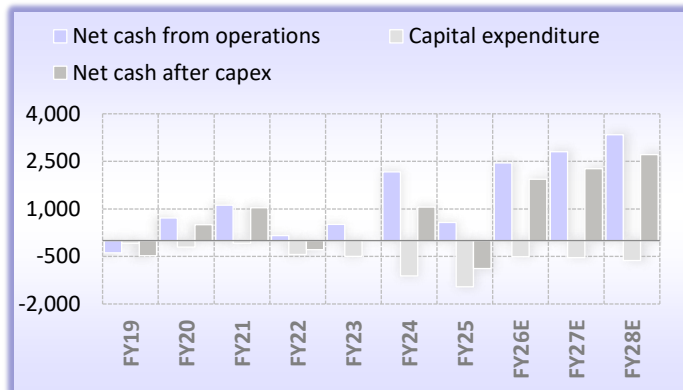
EBITDA trend



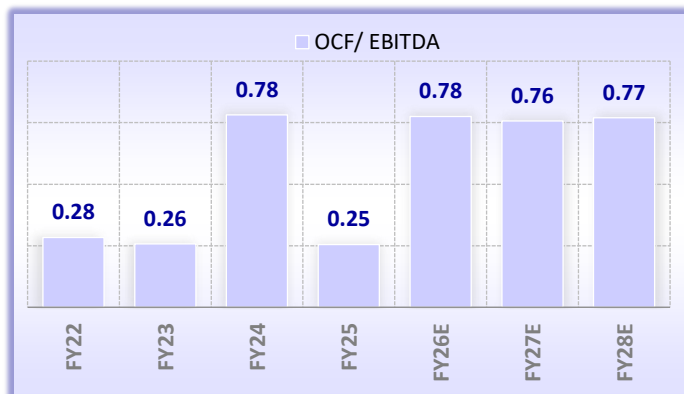
PAT trend (INR m)



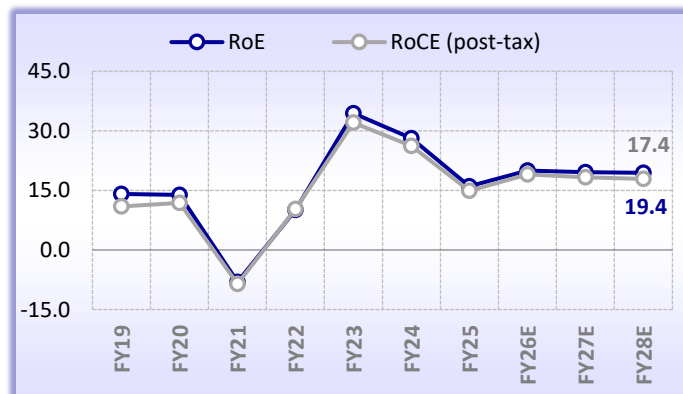
FCFF (INR m)



EBITDA to OCF conversion



Return ratios (%)

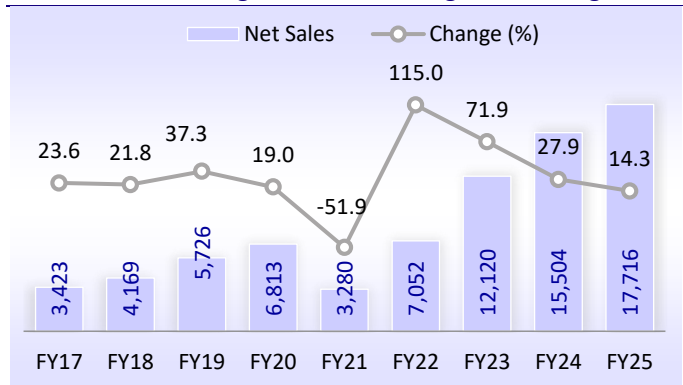


Investment thesis

SI has undergone a remarkable transformation—from a soft-luggage-focused, low-investment entity to a rapidly scaling brand with a diversified product portfolio and owned manufacturing capabilities. The company aggressively expanded into hard luggage, backpacks, and laptop bags, significantly increased advertising spending, and acquired several value-segment brands. It established two factories in Halol and one in Jaipur, boosting monthly production capacity from 25,000 to 625,000 units, which is further scaled to 1.15m. Under experienced leadership, SI has gained sharper strategic agility and foresight, capturing a larger share of the value-conscious market.

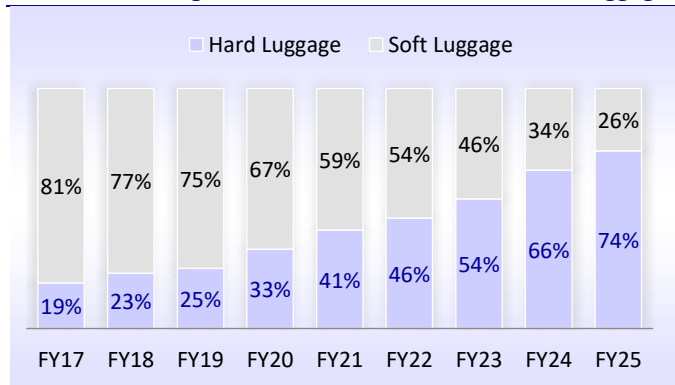
Since Mr. Sudhir Jatia took over leadership of SI in 2012, the company has embarked on a transformative journey, evolving from a passive market participant into a strategically focused brand. Key structural reforms were implemented across its product portfolio, branding, and distribution channels. SI streamlined its offerings by phasing out low-margin and underperforming SKUs while reducing its dependence on CSD sales. Simultaneously, it expanded into new categories, such as polycarbonate luggage, value-driven backpacks, and laptop bags, effectively repositioning itself in the mass-market segment. Enhanced distribution through e-commerce and general trade channels further accelerated revenue growth and profitability post-FY14, establishing SI as the preferred choice for functionality-driven, value-conscious consumers. Consequently, its market share surged to ~30% by FY25 from ~8–9% in FY14 b/w the top 3 players.

Exhibit 80: Revenue growth after management change



Source: Company, MOFSL

Exhibit 81: Change in sales mix; tilted towards hard luggage



Source: Company, MOFSL

Exhibit 82: Changes following the appointment of Mr. Sudhir Jatia as the MD of SI

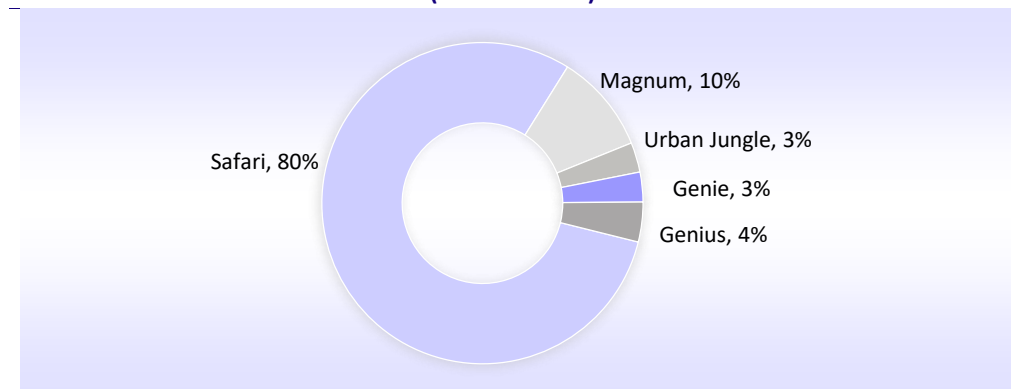
Strategic Area	Before 2012 (Pre – Mr. Jatia’s Leadership)	After 2012 (Under Sudhir Jatia’s Leadership)
Product diversification	❖ Concentrated mainly on soft luggage with outsourced production	❖ Shifted focus to hard luggage; expanded into newer categories like backpacks and laptop bags
Portfolio expansion via brands	❖ Operated primarily under the Safari brand	❖ Acquired and introduced multiple brands (e.g., Genius, Activa, and Genie) to broaden product and price reach
Capacity building	❖ Had no owned production facilities	❖ Scaled in-house output from 25,000 pcs/month (2016) to 625,000, and expanded further to 1.15m pcs/month
Leadership & experience	❖ Led by Amul Mehta (plastics background), held the MD role since the company's inception.	❖ Appointed former VIP MD with deep industry experience
Brand promotion intensity	❖ Limited marketing investments, averaging ~0.8% of sales between FY04–FY12	❖ Increased marketing spend to ~3.5% of sales over FY13–FY25 to strengthen brand visibility
Adaptability to market trends	❖ Continued reliance on traditional soft luggage offerings	❖ Invested in modern manufacturing for polycarbonate and polypropylene luggage to align with market demand

Source: Company, MOFSL

From volume to value: Navigating the premium transition

SI has progressively expanded its product portfolio to address the evolving preferences and rising disposable incomes of Indian consumers. By adopting a strategically segmented brand architecture, SI successfully captures demand across both value-conscious and premium market segments, strengthening its competitive positioning and broadening its appeal.

Exhibit 83: Brand-wise revenue share (FY25 revenue)



Source: Company, MOFSL

- Safari: Budget-conscious consumers focus on the large mass-market
- Genie: Focused on young female and fashion-conscious users
- Urban Jungle: Premium casual buyers (millennials, Gen Z)
- Magnum: Targets value-driven shoppers

Safari – This flagship brand primarily targets budget-conscious families and middle-income consumers and is known for its reliability and affordability. Recently, the company has expanded into the premium formal backpack category with the launch of Safari-Select, designed for professionals seeking functional yet sophisticated luggage solutions.

Urban Jungle – Positioned as a casual premium offering, Urban Jungle caters to urban millennials and Gen Z consumers who prioritize style and individuality alongside utility. The fine features enhanced functionality and sleek aesthetics to meet the tastes of a fashion-forward audience.

Genie – Originally focused on adolescent girls, Genie has evolved into a key brand appealing to the broader female youth demographic. It emphasizes stylish, well-designed backpacks targeting fashion-conscious consumers in the higher price brackets, reinforcing its position as a preferred choice among young women.

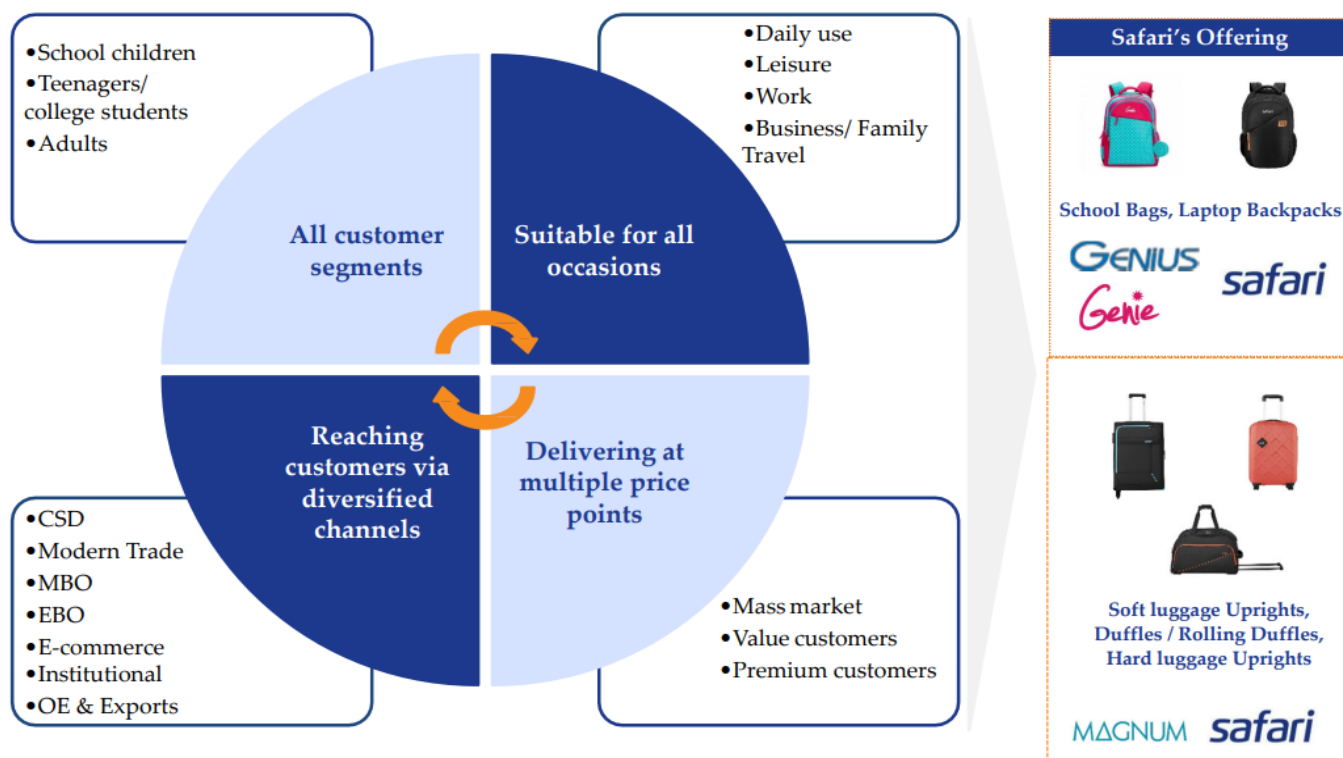
Magnum – Aimed at value-driven shoppers upgrading from unbranded or unorganized options, Magnum offers colorful and functional products at accessible price points. This brand helps SI penetrate traditionally unorganized retail segments by balancing affordability with style.

Genius – Serving as an early engagement point with school-going children, Genius offers practical, well-constructed backpacks tailored for students. This brand plays a crucial role in building long-term brand familiarity and loyalty from a young age.



This segmented branding strategy reflects SI's holistic approach to meeting diverse consumer needs across price and lifestyle spectrums, driving its transition from a volume-centric to a value-focused premium player.

Exhibit 84: Segment-wise product offerings



Source: Company, MOFSL

Exhibit 85: Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment	FY25 Brand Revenue %	Products
Safari	Hard & soft luggage, backpacks, school bags, laptop bags, duffle bags	Value-conscious families, students, and young professionals	Value and Premium	80%	
Urban Jungle	Hard & soft luggage, duffle bags, backpacks	Young Affluent	Premium	3%	
Genie	Hard & soft luggage, backpacks	Young Girls and Women	Value and Premium	3%	
Magnum	Hard & soft luggage, backpacks	Mass aspirational consumer segment	Value	10%	
Genius	Soft luggage, duffle bags, backpacks	Kids	Value and Premium	4%	

Source: Company, MOFSL

Evolving revenue mix: Shift towards hard luggage

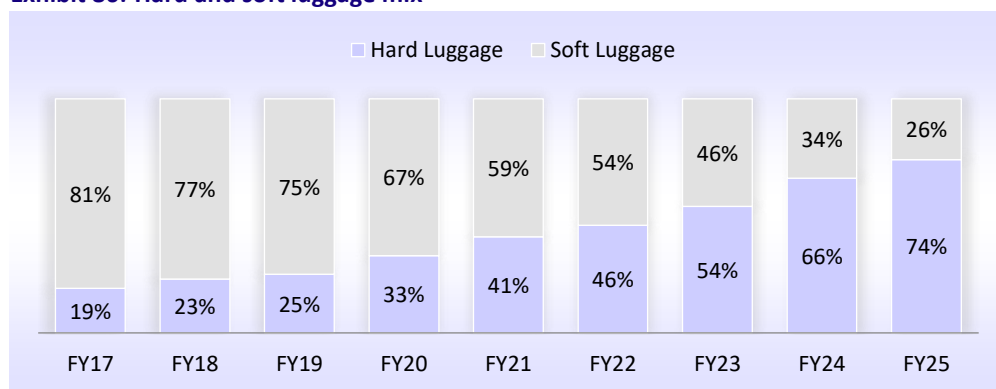
Since FY17, SI has undergone a pronounced transformation in its product portfolio, marked by a strategic pivot toward hard luggage. The share of hard luggage in total revenues has surged dramatically—from just 19% in FY17 to an impressive 74% by FY25. This shift reflects changing consumer preferences, which increasingly favor sturdier, premium-quality travel solutions that offer both durability and a sophisticated aesthetic.

SI's focused investments in design innovation, capacity expansion, and premium positioning have been instrumental in capturing this growing demand. Conversely, the soft luggage segment, which historically constituted the majority of the company's portfolio, has contracted substantially to 26% in FY25 from 81% in FY17.

This deliberate scaling back aligns with moderated consumer interest in soft luggage and represents a strategic realignment of the product mix.

Meanwhile, the backpack segment has maintained relative stability, supported by steady demand from student and urban professional segments. Overall, this evolving category mix underscores SI's agility in responding to emerging consumer trends, reinforcing a portfolio increasingly tilted toward premium, higher-margin products. The dominance of hard luggage not only enhances brand perception but also fortifies SI's prospects for sustained growth and profitability.

Exhibit 86: Hard and soft luggage mix



Source: Company, MOFSL

Strategic evolution: From mass market to modern mobility

SI has evolved from a mass-market contender into a formidable challenger with increasing premium appeal in India's luggage sector. Rooted in hard luggage and utility backpacks, the company is strategically enhancing its portfolio with upscale offerings. New sub-brands such as Urban Jungle and Safari-Select cater to younger urban consumers and business professionals through stylish, feature-rich products. Meanwhile, the Genie (designed for teenage and young female) brand is being revitalized with aesthetic upgrades to attract fashion-conscious young adults. This multi-tiered branding approach is steadily driving up average selling prices while enabling SI to capture both value-driven and aspirational customer segments.

SI remains committed to meeting mainstream travel needs with robust hard luggage and versatile backpacks, while simultaneously elevating its brand through premium sub-brands like Urban Jungle and Safari-Select. These new lines, featuring innovations such as USB charging ports and anti-theft elements, target urban professionals and business travelers, offering a sophisticated upgrade to travel essentials.

Concurrently, SI is repositioning Genie—from a functional school bag to a stylish accessory favored by young adults and trend-conscious consumers—by enhancing its aesthetics and comfort. This tiered branding approach enables SI to capture value across price points, systematically increase average selling price, and attract new demographics, all without losing its stronghold in the mass market.

The Safari advantage: Mass appeal with premium execution

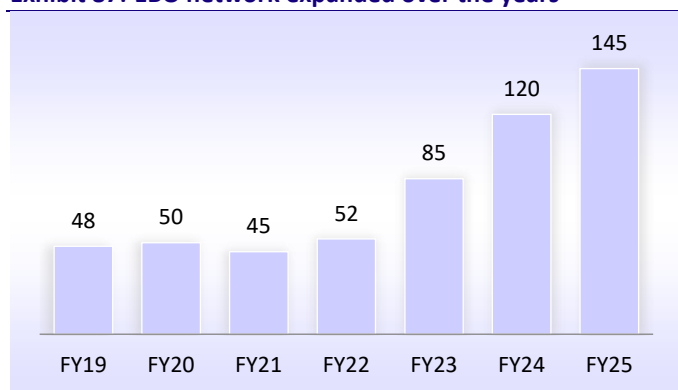
SI has successfully established itself in the value segment by combining affordability with a premium brand persona. Its pricing strategy employs high MRP anchors alongside carefully curated discounts, boosting perceived value without sacrificing market reach. In contrast to VIP's Aristocrat—which operates in a commoditized space marked by heavy discounting and low product differentiation—SI's portfolio feels more aspirational and design-centric.

A robust online presence, refined product aesthetics, and nimble execution cycles have enabled SI to consistently achieve superior realizations and outperform competitors. While Aristocrat remains volume-driven, it grapples with brand fatigue amid a highly price-sensitive, promotion-heavy market environment. SI's ability to elevate the customer experience and value perception positions it strongly for sustainable growth.

Expanding reach: Channel diversification and digital integration

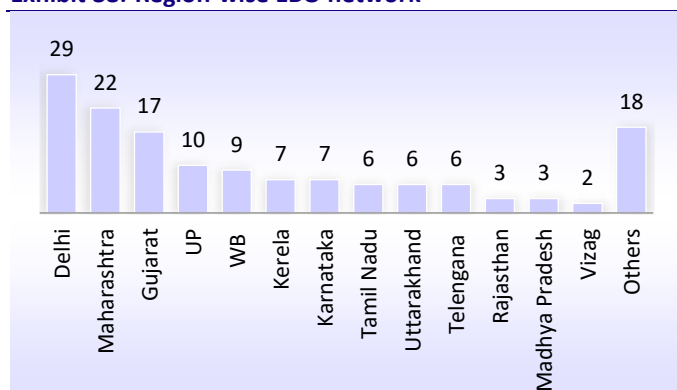
SI has strategically expanded its market reach through a diversified channel mix and seamless digital integration. Operating across general trade, modern trade, EBOs, and e-commerce, the company ensures broad consumer accessibility. EBOs enhance brand visibility and customer experience for premium products, while modern trade drives significant revenue in urban areas. Post-Covid, e-commerce has become a vital growth engine, contributing ~40% of total revenue through enhanced product visualization and targeted marketing. To mitigate channel conflicts, SI employs a differentiated SKU strategy across platforms. Its expansion is balanced and efficient—with EBOs leveraging an asset-light franchise model and digital presence amplified via leading marketplaces and direct-to-consumer platforms. This comprehensive omnichannel approach enables SI to effectively capture diverse consumer segments while fostering scale and profitability.

Exhibit 87: EBO network expanded over the years



Source: Company, MOFSL

Exhibit 88: Region-wise EBO network



Source: Company, MOFSL

This diversified retail mix enables the company to effectively serve diverse consumer segments—from value-seeking buyers in traditional trade to aspirational urban professionals online—while advancing its strategic premiumization objectives.

1. Strengthening brand identity through EBOs:

SI is expanding its network of about 145 EBOs, primarily focused on premium locations such as metropolitan malls and airports. These outlets showcase

flagship collections such as Urban Jungle and Safari-Select, creating an immersive, full-price shopping environment that reinforces a premium brand image and drives long-term loyalty.

2. Building a seamless omnichannel experience:

SI is investing heavily in digital infrastructure to integrate online and offline touchpoints, enabling customers to switch fluidly between channels. This omnichannel approach ensures consistent brand engagement and richer customer insights, enhancing personalization and customer satisfaction.

3. Expanding MBOs:

With a current footprint of around 3,400 MBOs, SI aims to scale up aggressively in this underpenetrated channel. By doing so, especially in smaller towns and rural markets, the company builds wider product accessibility and strengthens its mass-market positioning beyond urban centers.

4. Leveraging e-commerce for scalable growth:

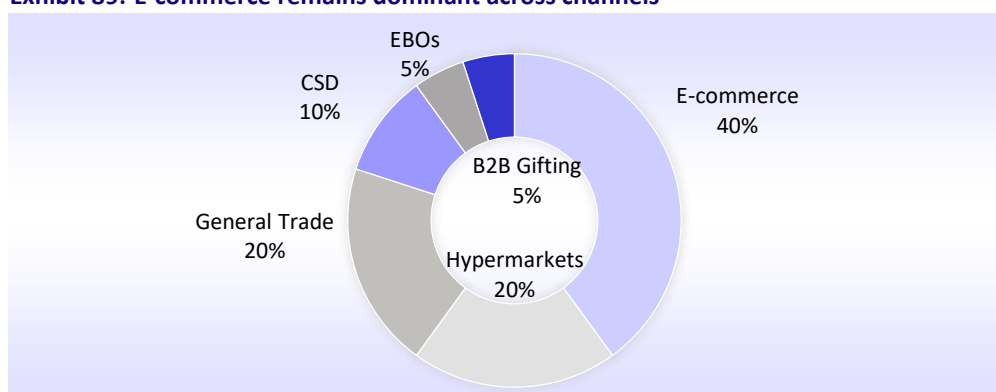
E-commerce now accounts for nearly 40% of SI's revenues. Strategic partnerships with leading online marketplaces such as Flipkart, Amazon, and Myntra have allowed the brand to tap into emerging markets and digitally native consumers nationwide, complementing physical retail channels effectively.

5. Investing in digital visibility and direct-to-consumer (D2C) channels:

SI's D2C efforts, fueled by targeted social media and digital advertising campaigns, are expanding brand recognition and driving higher conversions. This targeted performance marketing approach positions SI as a contemporary and accessible brand aligned with evolving consumer behaviors.

Together, these coordinated channel strategies enable SI to balance mass-market reach with premium brand-building, ensuring strong visibility, enhanced customer experience, and sustainable growth across urban and emerging markets.

Exhibit 89: E-commerce remains dominant across channels



Source: Company, MOFSL

Exhibit 90: SI's channel strategy

CHANNEL STRATEGY

Consciously crafted channel strategy involves balancing volume and value led growth with increasing touch points being the sole focus

E-Commerce, Quick Commerce & D2C

- Focus on building strong presence in existing Horizontal e-commerce platforms & D2C
- Strong advertising investments on digital both on-platform and social media to drive consumer acquisition and brand recognition

Hyper Markets

- Increasing penetration by increasing counters where Safari is present and aided by channel growth
- Adding sales promoters to high performing stores
- Focus on branding, imagery building and demand generation to attract more footfalls

Multi Brand Outlets

- Ramping up dealer and distributor network
- Despite low channel level growth, Safari to expand MBO footprint
- Strategically converting select MBOs into EBOs through asset-light arrangements

EBOs

- Fresh roll-out of EBOs to amplify growth from the channel
- Focus on strategically locating stores in high footfall areas

Institutional & Exports

- Institutional Focus on key account management with large accounts
- Exports Penetration in markets with large India diaspora
- Focus on building a strong base of key accounts

CSDs & CPCs

- Increasing throughput per canteen by adding sales promoters
- Promotion initiatives such as superior in-store SIS and branding



safari

Source: Company, MOFSL

Building a highly efficient and integrated supply chain

1. Integrated design and product innovation

SI leverages an in-house design team to drive brand-consistent, trend-responsive product development. This vertical integration accelerates design cycles and enhances flexibility, enabling swift adaptation to evolving consumer preferences and maintaining competitive relevance.

2. Hybrid procurement and manufacturing model

SI balances in-house manufacturing for hard luggage at its Halol facility with outsourced production for soft luggage. This hybrid approach optimizes cost efficiency, safeguards quality in core product lines, and provides operational agility to mitigate supply-side risks effectively.

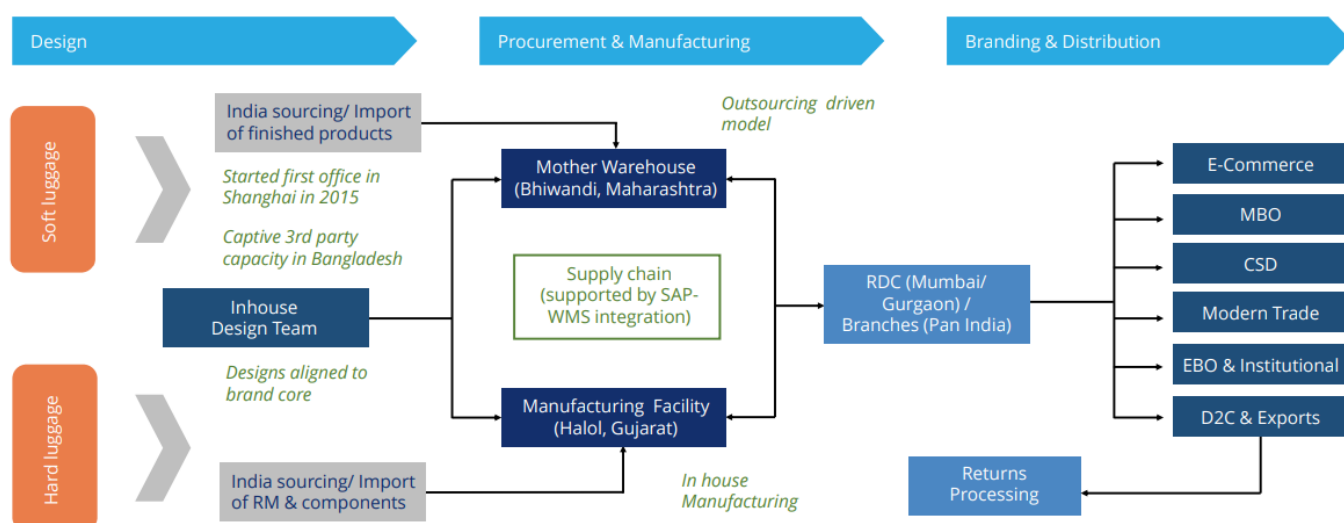
3. Robust warehouse and logistics infrastructure

The company's central warehouse in Bhiwandi utilizes SAP-driven Warehouse Management Systems (WMS) for real-time inventory tracking and streamlined order fulfillment. This sophisticated logistics backbone supports scalability and ensures timely deliveries across diverse sales channels.

4. Omnichannel distribution and enhanced customer service

SI's comprehensive multi-channel distribution spans general trade, modern retail, exclusive brand outlets (EBOs), and e-commerce, maximizing market reach. A well-organized returns mechanism further bolsters post-purchase service quality, reinforcing customer loyalty and trust.

Exhibit 91: Operational supply chain



Source: Company, MOFSL

Precision, Performance, Profit: SI's manufacturing evolution

SI has deliberately intensified its focus on in-house manufacturing as a core strategic initiative to optimize costs, elevate product quality, and swiftly adapt to changing consumer demands—especially the growing preference for durable, premium hard luggage. Early recognition of this trend led to the establishment of a polycarbonate (PC) luggage plant in Halol (Gujarat) in FY13, marking the beginning of its production journey.

Further strengthening its manufacturing foothold, SI formed Safari Manufacturing Ltd. (SML) and acquired Lear Automotive's assets in FY22 to initiate polypropylene (PP) luggage production. This expansion has scaled domestic manufacturing capacity to an impressive 1.15m units per month.

This strategic shift delivers multiple advantages: tighter cost control, enhanced agility in meeting market demand, and improved product quality standards—key factors driving sustained margin expansion. Meanwhile, the company maintains a hybrid model in soft luggage by outsourcing but has diversified sourcing across India and Bangladesh alongside China, reducing geopolitical risks and bolstering supply chain resilience.

Together, this integrated manufacturing and sourcing approach positions SI for stronger operational efficiency and long-term competitive advantage in the evolving luggage market.

Product credibility driving brand endorsement

SI's product-led approach focuses on building intrinsic brand equity by emphasizing product quality, innovation, and design. This strategy reflects several advantages:

- **Authenticity and focus:** By avoiding celebrity endorsements, SI maintains a direct and credible dialogue with consumers centered on the actual product benefits—durability, aesthetics, and functionality—that resonates well in an increasingly discerning market.

- **Cost efficiency:** Celebrity campaigns often require significant and ongoing investments. SI's approach reallocates these budgets toward continuous design innovation, fresh collections, and digital marketing efforts that reinforce brand recall organically.
- **Alignment with consumer trends:** Modern consumers, especially younger demographics targeted by SI's sub-brands like Urban Jungle and Genie, tend to value genuine product experience over aspirational celebrity ties. This drives higher engagement and loyalty.
- **Digital campaign effectiveness:** With strong storytelling around product features and lifestyle relevance, SI's digital campaigns generate sustainable interest and allow precise targeting and performance measurement, optimizing ROI on ad spending.

In contrast, VIP's endorsement-driven model is as follows:

- **Visibility via star power:** Celebrity ambassadors like Kiara Advani extend reach and can quickly attract attention, especially during product launches or campaigns aiming for mass appeal.
- **Higher marketing costs:** The recurring cost of sustaining celebrity endorsements adds to brand promotion budgets, which can pressure margins or reduce budget flexibility elsewhere.
- **Risk of over-reliance on celebrities:** Brand recall may become tethered to the celebrity rather than product attributes, which can dilute the brand's independent identity and leave it vulnerable if endorsements end or fail to engage.

In summary, SI's product-first communication strategy leverages design innovation and authentic consumer connection to build a strong, sustainable brand presence with cost-effective marketing. This contrasts with VIP's approach, which trades higher visibility for elevated marketing spending and dependence on celebrity appeal. Both have their merits, but SI's model is particularly well-aligned with today's digital-savvy, substance-seeking consumers.

Exhibit 92: Advertisement costs

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue (INR m)											
SI	2,159	2,769	3,423	4,169	5,726	6,813	3,280	7,052	12,120	15,504	17,716
VIP	10,477	12,165	12,515	14,096	17,847	17,144	6,186	12,895	20,823	22,450	21,784
Samsonite	9,110	9,748	9,412	10,093	12,612	13,681	5,007	10,796	18,825	22,988	19,500*
Advertisement costs (INR m)											
SI	47	56	79	102	188	297	92	182	450	778	1,310
VIP	630	707	768	895	994	916	208	355	1,125	1,848	1,383
Samsonite	560	560	483	593	702	564	164	155	1,104	1,318	1,170*
Advertisement cost as a % of revenue											
SI	2.2	2.0	2.3	2.4	3.3	4.4	2.8	2.6	3.7	5.0	7.4
VIP	6.0	5.8	6.1	6.3	5.6	5.3	3.4	2.8	5.4	8.2	6.3
Samsonite	6.1	5.7	5.1	5.9	5.6	4.1	3.3	1.4	5.9	5.7	6.0*

Source: Company, MOFSL

*MOFSL estimates

Exhibit 93: Details of SI's branding activities

Year	Brand	Brand Ambassador	Purpose of Marketing	Campaign Highlights	Ad Medium/Mode
2007	Safari	None	Shift from discount positioning to value-for-money branding	Moving away from heavy discounting, repositioning as an affordable yet quality brand	Traditional media (Print, TV)
2017	Safari	None	Increase visibility among the youth segment	Focused on youthful imagery and vibrant product appeal	Digital media and Print
2019	Safari	None	Reinforce travel-oriented brand identity	"The bag is born to travel" – encouraging journeys with Safari bags	TVC, Digital campaigns
2022	Safari	None	Strengthen brand identity post-Covid	Highlighted product durability, style, and value during post-pandemic travel recovery	Digital-first (YouTube, Instagram), E-commerce partnerships
2023	Safari	None	Drive engagement and visibility for premium collections	Focus on Urban Jungle and Safari-Select positioning for aspirational customers	Online video ads, Influencer tie-ups, Social media ads
2024	Safari	None (as of public record)	Build a premium narrative; tap into the urban and Gen Z audience	Emphasis on smart features (USB ports, anti-theft zips), sleek design, and everyday use	Instagram Reels, YouTube Shorts, Flipkart/Amazon brand store highlights

Source: Company, MOFSL

Exhibit 94: Promotional activities

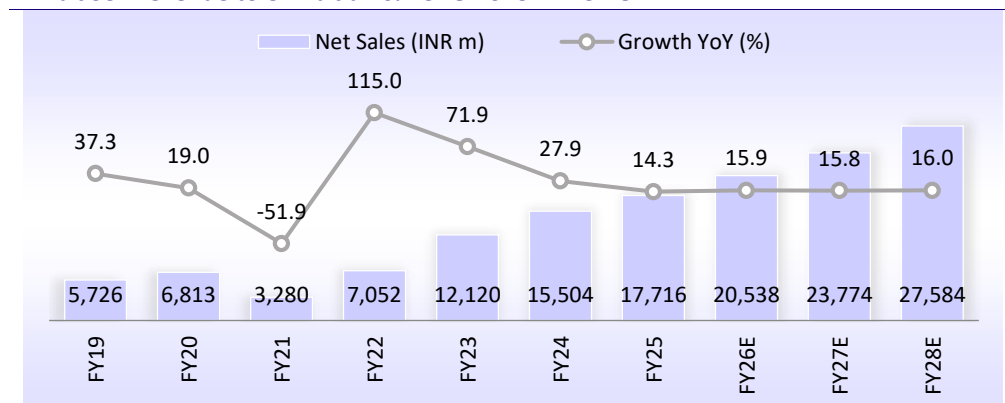

Source: Company, MOFSL

Financial outlook

Revenue set to clock a 16% CAGR through FY25-28E

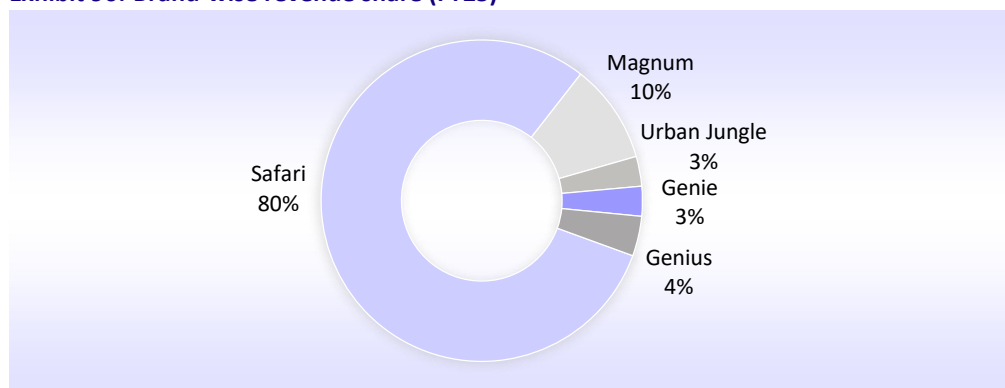
We forecast SI to deliver a revenue CAGR of 16% over FY25–28E, following a robust 36% CAGR in FY22–25. The company’s renewed strategic direction—emphasizing product mix enhancement, brand premiumization, operational efficiencies, and targeted expansion into the premium segment through brands like Urban Jungle, Safari-Select, and an upgraded Genie portfolio—positions SI well to tap into evolving consumer preferences. These initiatives are expected to accelerate market share gains and drive value-accretive growth. Key growth drivers include: 1) scaling up the Urban Jungle and Safari-Select brands for premium market positioning, 2) ramping up capacity utilization at the Jaipur facility, 3) increasing in-house manufacturing of ancillary components, and 4) adding 50 exclusive brand outlets (EBOs) annually. Considering favorable industry tailwinds and shifting consumer behavior towards travel and tourism, we estimate SI to deliver industry-leading revenue growth and consistently increase its market share over the forecast period.

Exhibit 95: Revenue to exhibit a 16% CAGR over FY25-28E



Source: Company, MOFSL

Exhibit 96: Brand-wise revenue share (FY25)

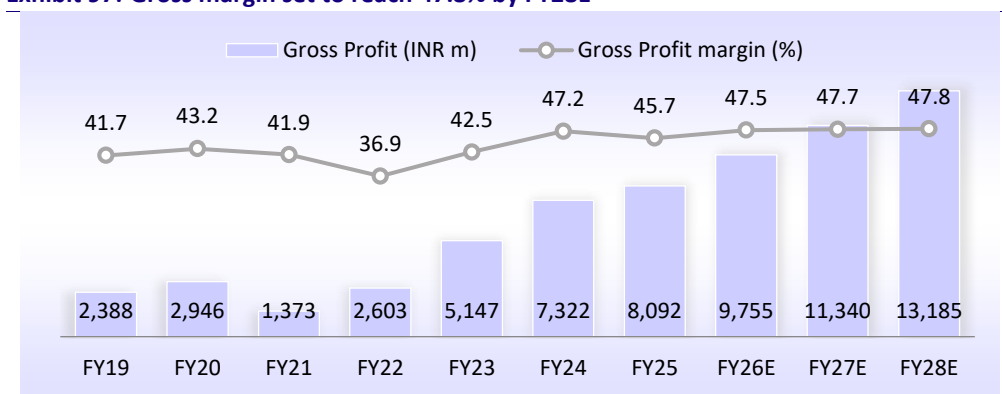


Source: Company, MOFSL

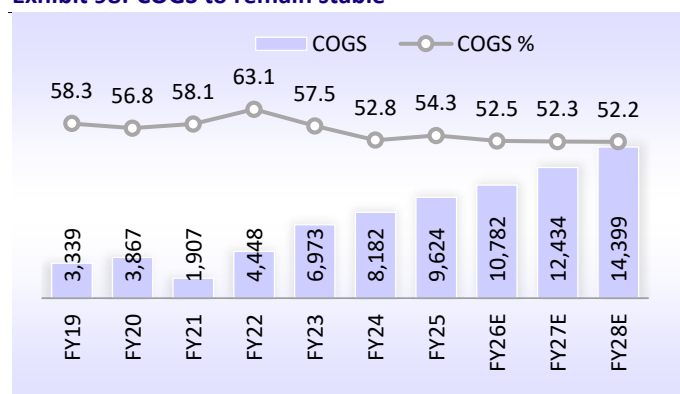
Gross profit to deliver a 17.7% CAGR over FY25-28E

We expect SI to deliver a 212bp expansion in gross profit, reaching 47.8% in FY28E. The company has demonstrated a convincing rebound in profitability, with gross margins recovering sharply from the pandemic low of 36.9% in FY21–22 to 42.5% in FY23 and 47.2% in FY24 and sustaining a healthy margin at 45.7% in FY25. This

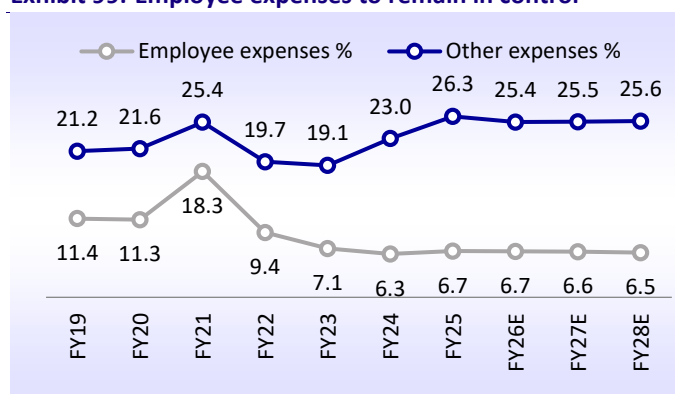
margin expansion underscores the impact of a premium product portfolio, improved sourcing, operational efficiencies, and increasing economies of scale. Looking ahead, we forecast gross margins to remain robust, at 47.5% in FY26E, 47.7% in FY27E, and 47.8% in FY28E, supported by strategic product mix enhancements and manufacturing leverage. The stability and gradual improvement in gross profitability position SI well placed to drive superior value creation and reinforce its market leadership in the evolving luggage industry landscape.

Exhibit 97: Gross margin set to reach 47.8% by FY28E


Source: Company, MOFSL

Exhibit 98: COGS to remain stable


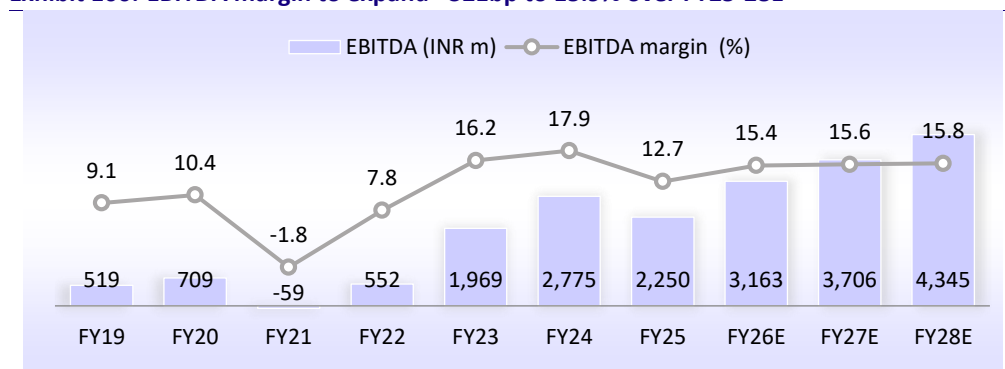
Source: Company, MOFSL

Exhibit 99: Employee expenses to remain in control


Source: Company, MOFSL

EBITDA CAGR estimated at 25% over FY25–28

We project SI's EBITDA to clock a robust CAGR of 25% over FY25–28E. The company has staged a remarkable turnaround in operating performance post-pandemic, recovering from a negative EBITDA of INR59m (–1.8% margin) in FY21 to 16.2% in FY23 and 17.9% in FY24. Though margins moderated to 12.7% in FY25, reflecting elevated investments in advertising and brand building. However, margin recovery underscores the company's ability to leverage an improved product mix, exercise strict cost control, and benefit from operating leverage. Looking ahead, EBITDA margins are anticipated to stabilize in the 15–16% range over FY25E–FY28E, supported by a higher contribution from premium segments, ongoing operational efficiencies, and more calibrated marketing spending. These factors position SI to deliver sustained operating performance and support long-term value creation as it capitalizes on underlying industry growth tailwinds.

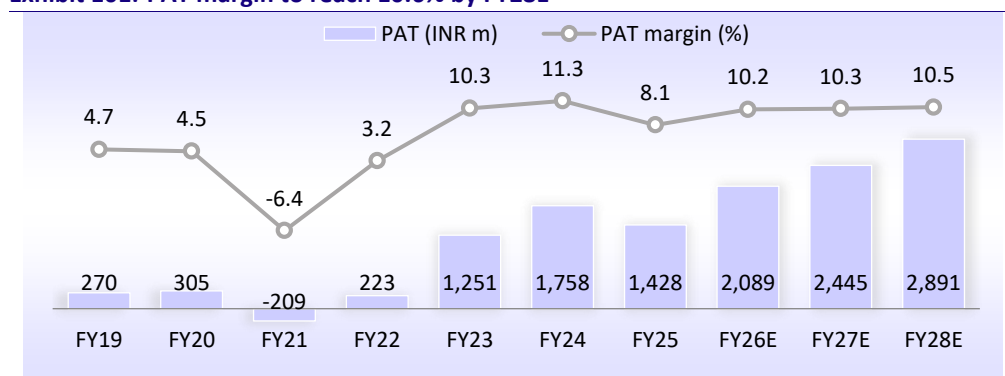
Exhibit 100: EBITDA margin to expand ~321bp to 15.9% over FY25-28E


Source: Company, MOFSL

PAT CAGR estimated at 27% over FY25-28

We forecast SI's PAT to register a robust CAGR of 27% over FY25–28E, underscoring a remarkable turnaround in profitability. The company has transitioned from a net loss of INR209m in FY21 (PAT margin: –6.7%) to a healthy profit of INR1,428m in FY25, with margins improving to 8.1%. This sustained improvement is attributable to operating leverage, a growing share of premium products, and disciplined cost management.

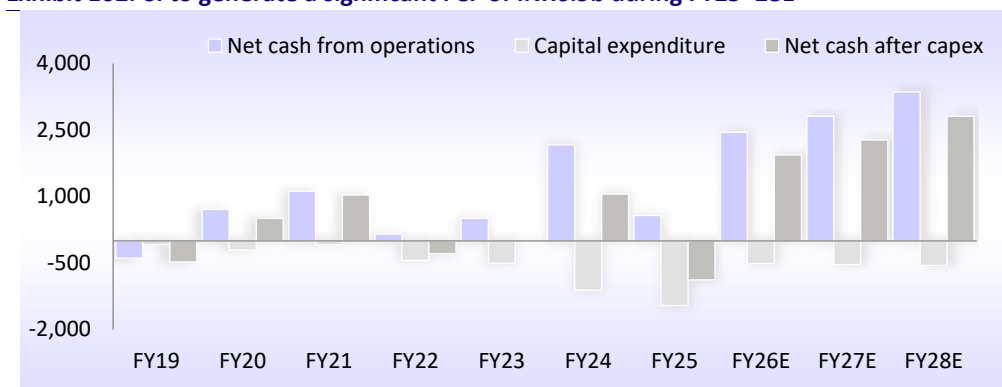
Looking forward, SI is poised to maintain its growth trajectory, with PAT projected to reach INR2,891m by FY28 and PAT margins strengthening to around 10.5%. This reflects a structurally enhanced earnings base and demonstrates the company's capability to efficiently convert topline expansion into consistent, long-term bottom-line growth, further consolidating its leadership position in the luggage industry.

Exhibit 101: PAT margin to reach 10.6% by FY28E


Source: Company, MOFSL

SI to generate INR6.9b in FCF during FY25-28E

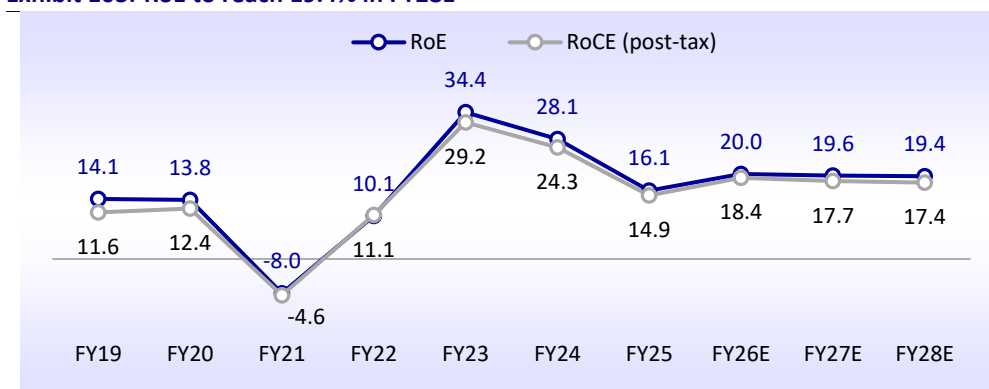
SI generated a cumulative Free Cash Flow (FCF) of INR1.4b over FY20–25, driven by an increasing number of stores reaching maturity and contributing positively to cash generation. Looking ahead, we expect SI to generate a significant FCF of INR6.9b during FY25–28E. This improvement is underpinned by strong working capital management, continued margin expansion, and operational efficiencies. Additionally, we anticipate the cash flow from operations (CFO) to EBITDA conversion ratio to improve substantially, reaching ~77% by FY28E. This robust cash flow profile will support the company's growth initiatives while enhancing shareholder value.

Exhibit 102: SI to generate a significant FCF of INR6.9b during FY25–28E


Source: Company, MOFSL

Return ratios to remain above 15% in FY28E

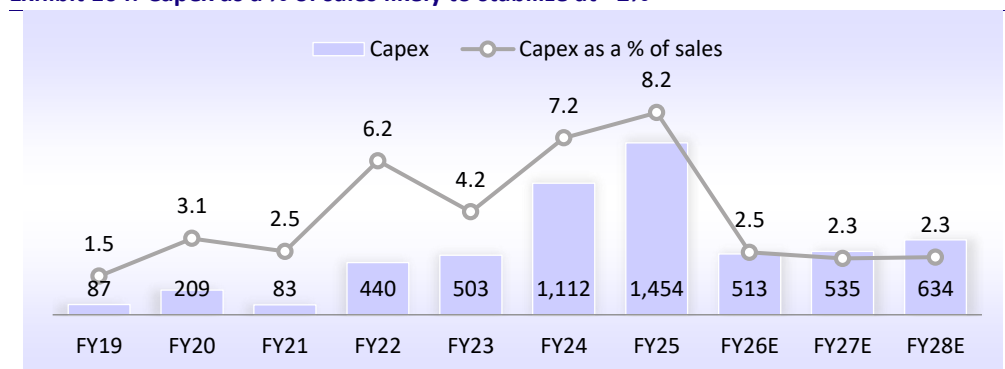
SI has demonstrated a compelling recovery in return ratios following the pandemic, reflecting enhanced capital efficiency and strong shareholder value creation. After experiencing a pandemic-induced dip in FY21 (with RoCE at -4.6% and RoE at -8.0%), the company quickly rebounded and delivered peak return levels (of 29.2% RoCE and 34.4% RoE) in FY23—driven by margin expansion, improved asset turnover, and operating leverage. Although return ratios are expected to moderate and normalize over FY25–28E as the company scales its asset base and ramps up investments, they are projected to remain substantially above pre-pandemic levels, stabilizing at a robust RoCE of 17.4% and RoE of 19.4% by FY28E. This positive trajectory underscores SI's position as a well-capitalized, efficiently managed business with strong earnings visibility and sustainable value creation potential.

Exhibit 103: RoE to reach 19.4% in FY28E


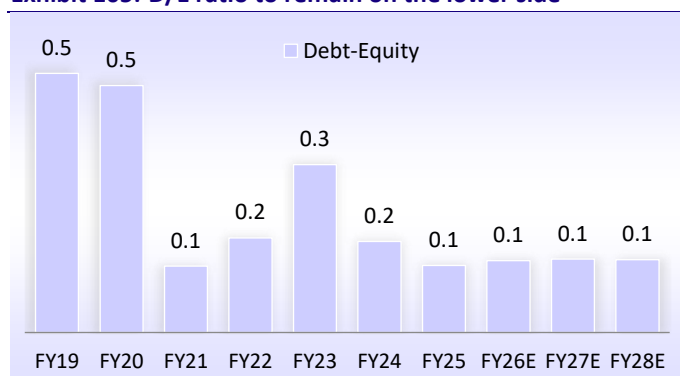
Source: Company, MOFSL

Capex likely to stabilize in the coming years

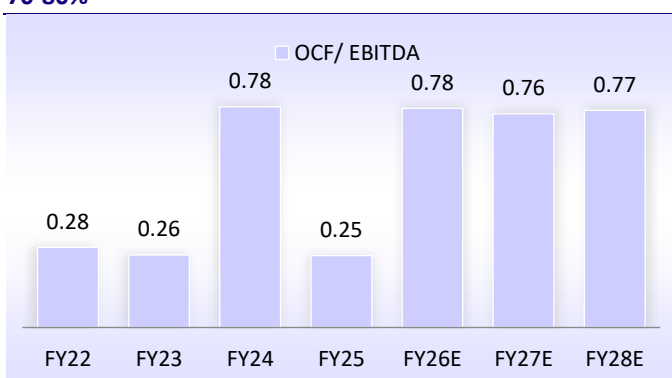
SI invested INR1.4b in capex in FY25. We have factored in a capex of ~INR500m each for FY26, FY27, and FY28 in our model, reflecting a rising investment trend to support capacity expansion, premiumization, and in-house manufacturing. This elevated capex aligns with the company's long-term growth strategy and commitment to strengthening market leadership amid expanding travel demand.

Exhibit 104: Capex as a % of sales likely to stabilize at ~2%


Source: Company, MOFSL

Exhibit 105: D/E ratio to remain on the lower side


Source: Company, MOFSL

Exhibit 106: EBITDA to OCF conversion to remain stable at 70-80%


Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

- We expect SI to benefit from
 - demand across both value-conscious and premium market segments, strengthening its competitive positioning and broadening its appeal,
 - dominance of hard luggage, which not only enhances brand perception but also fortifies SI's prospects for sustained growth and profitability, and
 - a product-led approach, which focuses on building intrinsic brand equity by emphasizing product quality, innovation, and design.
- **We value the stock based on DCF methodology to arrive at our TP of INR2,700 (implied P/E of 50x on Sep'27). We initiate coverage on the stock with a BUY rating.**
- Key downside risks include: a slowdown in travel & tourism, margin pressure from e-commerce dynamics, and intense competition from D2C brands.

Exhibit 107: Relative valuation comparison of luggage companies

Companies	Mcap (INR b)	Rating	EPS (INR)			P/E (X)			RoE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
VIP Industries	60	BUY	2.4	9.3	13.4	188.4	48.5	33.5	5.4	18.3	21.6
Safari Industries	106	BUY	42.7	50.0	59.1	51.9	44.4	37.5	20.0	19.6	19.4

Source: Company, Bloomberg, MOFSL

Exhibit 108: Assumptions used in the DCF methodology

Particulars	Rationale	Assumption
Revenue growth	❖ As ~74% of the business comes from the luggage segment, we project a revenue CAGR of 16% during FY25-35.	❖ Expect a CAGR of 16% over FY25-35.
EBITDA margin	❖ Higher contribution from premium segments, ongoing operational efficiencies, and more calibrated marketing spends.	❖ Expect YoY improvement in margins through FY35.
Capex	❖ The company has cash of ~INR2.2b as of Mar'25, which it intends to use towards the opening of EBOs and working capital requirements. Management has guided an annual capex of INR500m for EBOs.	❖ Expect capex at ~2% of sales over FY25-35.

Source: Company, MOFSL

Exhibit 109: Projected free cash flows

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	20,538	23,774	27,584	31,980	37,122	43,142	50,194	58,459	68,152	79,525
EBITDA	3,163	3,706	4,345	5,131	6,217	7,290	8,605	10,011	11,702	13,652
EBITDA %	15.4%	15.6%	15.8%	16.0%	16.7%	16.9%	17.1%	17.1%	17.2%	17.2%
Less: Capex	(513)	(535)	(634)	(640)	(742)	(863)	(1,004)	(1,169)	(1,363)	(1,590)
Less: Change in Working Capital	(13)	(85)	(37)	(185)	(349)	(378)	(607)	(691)	(787)	(892)
Less: Taxation	(638)	(749)	(888)	(1,053)	(1,297)	(1,535)	(1,827)	(2,140)	(2,520)	(2,959)
Free Cash Flows	1,999	2,337	2,785	3,253	3,829	4,515	5,167	6,010	7,033	8,211

Source: MOFSL

Exhibit 110: DCF summary (INR m)

WACC	9.50%
NPV	26,450
TVGR	6.00%
NPV of TV	1,04,183
Enterprise Value	1,30,633
Cash and Cash Equivalents	2250
Debt	-1248
Equity Value	1,31,635
No of Equity Shares (m)	49
Value Per Share	2,700
CMP	2,220
Upside	22%

Source: MOFSL

Exhibit 111: Sensitivity using TVGR and WACC

	8.5%	9.0%	9.5%	10.0%	10.5%
5.0%	2,890	2,510	2,200	1,970	1,770
5.5%	3,290	2,790	2,420	2,130	1,900
6.0%	3,850	3,180	2,700	2,340	2,060
6.5%	4,690	3,710	3,070	2,610	2,260
7.0%	6,080	4,520	3,580	2,960	2,520

Source: MOFSL

Bull and Bear cases



Bull case

- ✓ In our Bull case scenario, we factor in a 17% revenue CAGR over FY25-28E, driven by a higher volume growth in the hard luggage segment.
- ✓ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 16.0% by FY28 (from 12.7% in FY25).
- ✓ Based on the above assumptions, the company's valuation on a DCF basis would be INR2,900/share.

Exhibit 112: Scenario analysis – Bull case

	FY26E	FY27E	FY28E
Net Revenue	20,639	24,148	28,253
EBITDA	3,220	3,813	4,506
APAT	2,132	2,525	3,013
Change YoY (%)	49.3	18.4	19.3
Revenue Growth (%)	16.5	17	17
EBITDA Margin (%)	15.6	15.8	16.0
RoE (%)	20.3	20.1	20.1
EPS	43.6	51.7	61.6
Target price (INR)	2,900		
Upside (%)	31%		

Source: MOFSL



Bear case

- ✓ In our Bear case scenario, we factor in a 15% revenue CAGR over FY25-28E, driven by a lower volume growth in the hard luggage segment.
- ✓ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 15.7% by FY28 (from 12.7% in FY25).
- ✓ Based on the above assumptions, the company's valuation on a DCF basis would be INR2,500/share.

Exhibit 113: Scenario analysis – Bear case

	FY26E	FY27E	FY28E
Net Revenue	20,373	23,429	26,944
EBITDA	3,117	3,629	4,217
APAT	2,055	2,387	2,796
Change YoY (%)	43.9	16.2	17.1
Revenue Growth (%)	15.0	15.0	15.0
EBITDA Margin (%)	15.3	15.5	15.7
RoE (%)	19.7	19.2	18.9
EPS	42.0	48.8	57.2
Target price (INR)	2,500		
Upside (%)	13%		

Source: MOFSL

Key risks and concerns

SI faces several risks inherent to the luggage sector:

Seasonality and discretionary demand

Being discretionary products, luggage and backpacks are highly sensitive to travel patterns—including leisure, business, and school-related travel, festive seasons, and broader economic cycles. Disruptions such as pandemics, inflationary pressures, or economic slowdowns can lead to sharp declines in sales.

Raw material price volatility

Key inputs like polycarbonate, polypropylene, fabrics, metal components, and zippers are petroleum-based or globally traded commodities. Fluctuations in these material costs could squeeze gross margins if price increases cannot be fully passed on to consumers.

Intense competition

The Indian luggage market is fragmented and fiercely competitive, with established organized players like VIP Industries and Samsonite’s American Tourister, alongside numerous local and unorganized brands. This intensifies risks of price wars, especially in the value and mid-tier segments, making brand differentiation a challenging task in a commoditized space.

Margin pressure from e-commerce dynamics

SI’s growing reliance on e-commerce channels exposes it to high customer acquisition costs, aggressive discounting by online platforms, and limited pricing power. Dependence on major marketplaces such as Amazon and Flipkart increases exposure to pricing pressures and potential brand dilution from frequent promotions.

Company background

Founded in 1980 by Mr. Sumatichandra Mehta, SI has evolved into one of the leading players in the organized luggage sector. In 2012, the company underwent a significant transformation when Mr. Sudhir Jatia acquired a controlling stake. Since then, SI has outpaced its organized competitors, achieving a remarkable compound annual growth rate (CAGR) of 28% in sales and 36% in operating profit. This robust growth has propelled the company's market share from low single digits to the high teens.

SI manages a diverse portfolio of four primary brands—*Safari*, *Magnum*, *Genius*, and *Genie*—catering to all luggage categories. Targeting the 'value-for-money' segment, the company emphasizes quality and affordability to meet evolving consumer needs.

Manufacturing of hard luggage is done at the company's Halol facility, boasting an annual capacity of approximately 6.3m bags. Soft luggage is procured from a mix of domestic suppliers, along with sourcing from Bangladesh and China. Supporting its manufacturing footprint, SI maintains an office in China to oversee sourcing and quality controls.

The company boasts a robust multi-channel distribution network spanning over 8,500 customer touchpoints, including hypermarkets, e-commerce platforms (where SI is a market leader), multi-brand outlets, exclusive brand outlets (EBOs), the Canteen Stores Department (CSD), direct-to-consumer channels, institutional sales, and export markets. With a strategic presence across these varied channels, SI ensures broad brand accessibility and engagement with diverse consumer segments. It operates over 150 exclusive brand outlets nationwide.

Governance is driven by a board of seasoned industry leaders with expertise in retail, sales and marketing, systems and processes, finance, manufacturing, ethics, and corporate governance. The management and functional teams are composed of highly experienced professionals with deep industry knowledge, enabling SI to maintain operational excellence and strategic focus.

Exhibit 114: Key milestones in the journey of SI

Year	Milestone
2012	Sudhir Jatia purchases SI
2013	Starts manufacturing polycarbonate luggage at Halol
2014	Enters the backpacks category; EBO count reaches 50
2015	Enters into the e-commerce space with products on third-party websites & preferential issue to Tano India Equity Fund
2016	Purchases Genius, Genie, and Magnum brands
2018	Preferential issue to Malabar India Fund & Implements SAP
2019	Capacity expansion at Halol for PC luggage
2021	Issue of compulsory convertible debentures to Investcorp
2022	Increases manufacturing capacity and incorporates the subsidiary 'Safari Manufacturing Ltd.', buys land at Halol to expand capacity
2023	Increases capacity. Total manufacturing capacity for hard luggage at 6.3m bags p.a.
2024	Raises INR2.3b via preferential allotment to Lighthouse India Fund IV; announces INR2.2b capex for greenfield plant in Jaipur
2025	Expected to reach a total hard luggage capacity of 13.5 lakh units/month (1.15m/month); further accelerates premiumization through Safari-Select and Urban Jungle brands; deepens digital distribution and adds EBOs in Tier-1 and Tier-2 cities

Source: Company, MOFSL

Product portfolio

SI has progressively built a diversified and dynamic product portfolio to address the wide-ranging travel and lifestyle needs of the Indian market. Originally centered on luggage, the company now offers a broad spectrum of products spanning multiple categories, design styles, and consumer segments. While maintaining its core strength in travel luggage—featuring both hard and soft variants that combine durability, functionality, and contemporary design—SI positions itself as a value-focused brand with a keen eye on evolving consumer preferences. This balanced approach enables the company to appeal to price-conscious buyers without compromising on style or quality.

Exhibit 115: Product portfolio with category strategy

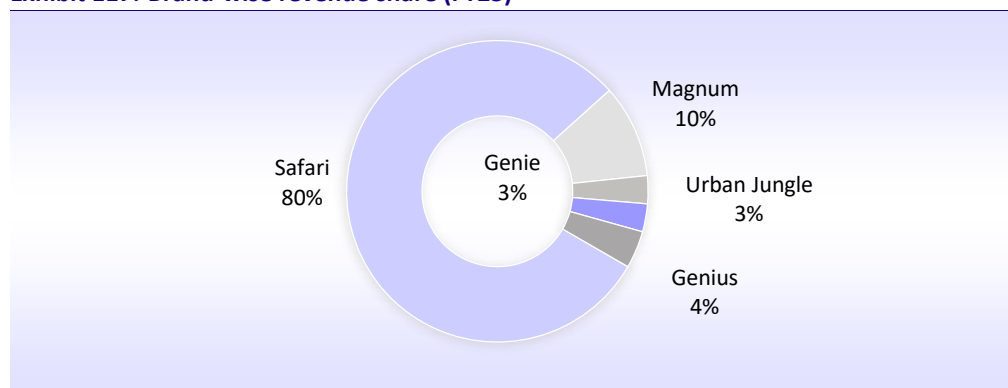

Source: Company, MOFSL

SI is broadening its portfolio to include backpacks, duffle bags, school bags, and laptop bags, targeting students, young professionals, and families. Its product and price segmentation caters to both mass-market and premium aspirational consumers, enhancing reach across income groups and retail channels. By focusing on affordability, functionality, and design, SI is well-positioned to capture growth in India’s mobility and lifestyle market.

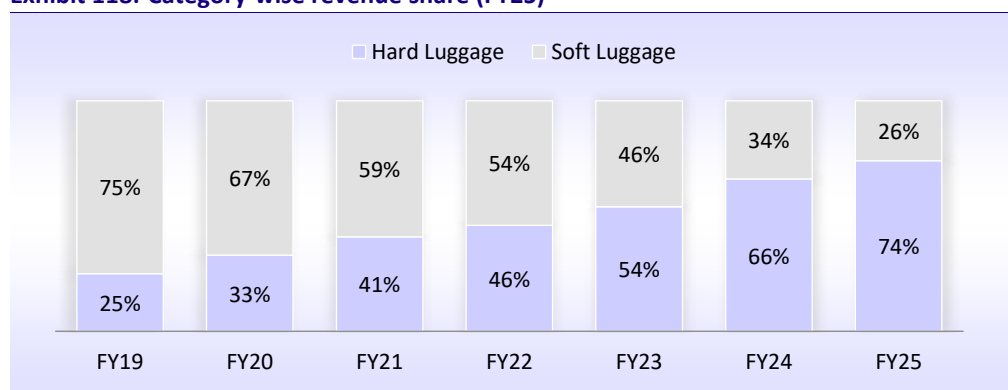
Exhibit 116: Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment
Safari	Hard & soft luggage, backpacks, school bags, laptop bags, duffle bags	Value-conscious families, students, young professionals	Value and Premium
Urban Jungle	Hard & soft luggage, duffle bags, backpacks	Young Affluent	Premium
Genie	Hard & soft luggage, backpacks	Young Girls and Women	Value and Premium
Magnum	Hard & soft luggage, backpacks	Mass aspirational consumer segment	Value
Genius	Soft luggage, duffle bags, backpacks	Kids	Value and Premium

Source: Company, MOFSL

Exhibit 117: Brand-wise revenue share (FY25)


Source: Company, MOFSL

Exhibit 118: Category-wise revenue share (FY25)


Source: Company, MOFSL

ESG initiatives



Environment

- SI is committed to reducing carbon emissions by improving energy efficiency, increasing renewable energy use, and managing resources like water, waste, and building materials to meet green certification standards.
- SI focuses on product stewardship by ensuring safety, reliability, and environmental compliance while pursuing responsible sourcing and sustainable supply chain practices to address resource scarcity and plastic waste.
- Implements climate strategies and promotes biodiversity through tree planting initiatives, life cycle assessments, and the incorporation of eco-friendly materials into product designs.

Social

- SI has expanded its workforce, with a notable increase in female employees, reinforcing its commitment to gender balance and inclusive growth.
- The company prioritizes creating an equitable workplace that offers equal opportunities for all employees to contribute and grow.
- Focused on employee development, SI actively prepares its workforce to meet future organizational needs and challenges.

Governance

- SI's governance framework clearly defines roles and responsibilities across management and employees, facilitating effective and transparent decision-making.
- The company emphasizes legal compliance, ethical conduct, and risk management to safeguard operations and financial integrity.
- By promoting transparency and accountability, SI builds stakeholder trust, supports consistent performance, and strengthens its foundation for sustainable long-term growth.

SWOT analysis

Strengths



- ❖ Steady growth and market presence: SI has consistently grown revenue and market share in India's organized luggage segment, fueled by rising travel demand and expanding middle-class consumption.
- ❖ Strong Footing in Entry to Mid-Priced Segment: It holds a solid position catering to price-sensitive customers across entry-level and mid-tier luggage and backpacks.
- ❖ Improved Product Appeal: Despite being price-driven, SI has enhanced its offerings with trendy designs and practical features to meet evolving consumer preferences.

Weaknesses



- ❖ Limited brand portfolio: Unlike competitors such as VIP Industries, SI lacks a multi-brand strategy, restricting its ability to effectively target and segment premium and niche market categories.
- ❖ Lower Brand Recall in Premium Segment: Safari's brand awareness and top-of-mind recall remain comparatively weaker than established players like VIP and international brands such as Samsonite, particularly within urban premium consumer segments.

Opportunities



- ❖ Rising travel demand: Growth in both domestic and international travel within India is expected to drive sustained long-term demand for luggage and travel accessories.
- ❖ Expanding Market Beyond Metros: Increasing consumer aspirations in smaller cities and towns present significant volume growth potential for affordable luggage and backpacks.
- ❖ Premiumization Potential: Developing sub-brands or premium product lines offers SI an opportunity to enter higher-margin segments and better compete with established premium players.

Threats



- ❖ SI faces intense competition from established players like VIP Industries, Samsonite, and American Tourister, and a large, fragmented, unorganized sector that competes aggressively on price.
- ❖ Rapid shifts in consumer design preferences and material innovations pose a risk to Safari's product relevance if it does not respond swiftly to evolving market trends.

Management Team



Mr. Sudhir Jatia (Chairman & MD)

He has over 28 years of experience in the domestic luggage industry. He was appointed as SI's Managing Director on 18th Apr'12. He studied commerce at Mumbai University and attended the Owner/President Management Program of Harvard Business School.



Mrs. Vijaya Sampath (Independent Director)

He has over 30 years of work experience and was a Senior Partner heading the corporate practice of Lakshmikumaran and Sridharan and the Ombudsperson for the Bharti group with oversight over the code of conduct. Previously, he was part of the global group general counsel and Company Secretary of the USD15b Bharti group. He is a CS, and LLB, and attended the Advanced Management Program of Harvard Business School.



Mr. Rahul Kanodia (Independent Director)

He has over 30 years of professional experience and has held several progressively senior and leadership positions. Currently, he is the Executive Director of Datamatics Global Services Ltd. and serves as the Chairman for the Western Region of ESC (Electronics and Computer Software Export Promotion Council), Government of India's largest electronics and IT trade facilitation organization. He has two Bachelor's degrees from HR College (India) and Babson College (USA) with specializations in F&A and MIS, respectively, and an MBA from Columbia University (USA).



Mr. Vineet Poddar (CFO)

He has over 30 years of corporate experience across diverse industries. He is a qualified Chartered Accountant, Company Secretary, and Commerce graduate from Calcutta University. His career spans leadership roles at prominent organizations such as Nshama Development LLC (Emaar, Dubai), Bombay Dyeing & Manufacturing Co. Ltd., Marsh India, and Birla Corporation Ltd., bringing a broad spectrum of expertise in finance, strategy, and business operations.

Financials and valuations

Consolidated Income Statement

(InR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,280	7,052	12,120	15,504	17,716	20,538	23,774	27,584
Change (%)	-51.9	115.0	71.9	27.9	14.3	15.9	15.8	16.0
Raw Materials	1,907	4,448	6,973	8,182	9,624	10,782	12,434	14,399
Gross Profit	1,373	2,603	5,147	7,322	8,092	9,755	11,340	13,185
Employee Cost	599	664	858	976	1190	1368	1573	1786
Other Expenses	834	1388	2321	3571	4652	5225	6061	7055
Total Expenses	3,339	6,500	10,151	12,729	15,466	17,375	20,068	23,239
% of Net Sales	101.8	92.2	83.8	82.1	87.3	84.6	84.4	84.2
EBITDA	-59	552	1969	2775	2250	3163	3706	4345
EBITDAM (%)	-1.8	7.8	16.2	17.9	12.7	15.4	15.6	15.8
Depn. & Amortization	204	199	333	518	591	610	710	793
EBIT	-264	353	1636	2257	1659	2552	2997	3551
Net Interest	58	49	80	95	88	80	72	64
Other income	33	80	95	139	285	313	335	369
PBT	-288	384	1650	2301	1856	2786	3260	3855
EO expense	0	93	0	0	0	0	0	0
PBT after EO	-288	291	1650	2301	1856	2786	3260	3855
Tax	-80	67	400	543	428	696	815	964
Rate (%)	27.6	23.2	24.2	23.6	23.0	25.0	25.0	25.0
Reported PAT	-209	223	1251	1758	1428	2089	2445	2891
Minority and Associates								
Adjusted PAT	-209	295	1251	1758	1428	2089	2445	2891
Change (%)	-168.4	-241.2	324.7	40.5	-18.8	46.3	17.0	18.3

Consolidated Balance Sheet

(InR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	95	95	95	98	98	98	98	98
Reserves	2,738	2,918	4,162	8,137	9,437	11,312	13,506	16,101
Net Worth	2,833	3,013	4,257	8,235	9,535	11,410	13,604	16,199
Minority Interest								
Total Loans	367	556	1,394	1,463	1,248	1,598	1,948	2,298
Deferred Tax Liability	-109	-70	-37	-63	-77	-77	-77	-77
Capital Employed	3,091	3,499	5,614	9,634	10,707	12,931	15,476	18,421
Gross Block	538	834	1,487	1,981	3,411	3,925	4,460	5,094
Less: Accum. Depn.	166	300	417	591	802	1,182	1,616	2,089
Net Fixed Assets	372	534	1,070	1,390	2,609	2,743	2,844	3,005
Capital WIP	1	197	-	10	124	124	124	124
Other Non-Current Assets	684	533	927	1,744	1,700	1,920	2,094	2,224
Current Assets	2,847	3,355	5,447	8,235	8,682	10,483	13,106	16,181
Inventory	1,140	1,461	2,664	2,694	3,504	3,545	3,748	3,945
Account Receivables	906	1,146	1,693	1,654	2,429	2,330	2,567	2,827
Cash and Cash Equivalent	655	592	865	2,184	2,250	4,110	6,294	8,911
Cash	44	22	29	390	116	1,975	4,159	6,776
Bank Balances	611	571	836	1,794	2,135	2,135	2,135	2,135
Others	146	156	225	1,703	498	498	498	498
Current Liability & Provisions	812	1,119	1,829	1,745	2,409	2,338	2,692	3,113
Account Payables	700	1,001	1,665	1,522	2,000	1,973	2,275	2,635
Provisions & Others	113	118	164	223	409	365	417	478
Net Current Assets	2,034	2,236	3,618	6,490	6,273	8,145	10,414	13,068
Application of Funds	3,091	3,499	5,615	9,634	10,707	12,932	15,476	18,421

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Adjusted EPS	-4.4	6.2	26.4	36.1	29.2	42.7	50.0	59.1
Growth (%)	-168.4	-241.2	326.0	36.7	-19.0	46.3	17.0	18.3
Cash EPS	-0.1	10.4	33.4	46.7	41.3	55.2	64.5	75.4
Book Value Per Share	59.6	63.3	89.8	168.9	195.0	233.4	278.3	331.4
DPS	0.0	0.8	3.5	5.5	1.5	4.4	5.1	6.1
Payout (incl. Div. Tax.)	0.0	12.9	13.3	15.3	5.1	10.3	10.3	10.3
Valuation (x)								
P/E	-492.2	348.5	81.8	59.9	73.9	51.0	43.6	36.9
Cash P/E	-23739.6	208.0	64.6	46.2	52.3	39.5	33.8	28.9
P/BV	36.2	34.1	24.0	12.8	11.1	9.3	7.8	6.6
EV/EBITDA	-1726.3	186.0	52.3	37.7	46.4	32.9	27.6	23.0
EV/Sales	31.2	14.6	8.5	6.7	5.9	5.1	4.3	3.6
Dividend Yield (%)	0.0	0.0	0.2	0.3	0.1	0.2	0.2	0.3
Profitability Ratios (%)								
RoE	-8.0	10.1	34.4	28.1	16.1	20.0	19.6	19.4
RoCE (post-tax)	-4.6	11.1	29.2	24.3	14.9	18.4	17.7	17.4
RoIC (post-tax)	-8.1	13.8	41.3	36.2	20.7	28.6	32.7	37.7
Turnover Ratios								
Asset Turnover (x)	1.1	2.0	2.2	1.6	1.7	1.6	1.5	1.5
Inventory (Days)	127	76	80	63	72	63	58	52
Debtor (Days)	101	59	51	39	50	41	39	37
Payable (Days)	78	52	50	36	41	35	35	35
Leverage Ratio								
Net Debt/Equity (x)	-0.1	0.0	0.1	-0.1	-0.1	-0.2	-0.3	-0.4

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA	-59	552	1,969	2,775	2,250	3,163	3,706	4,345
WC	1,078	-452	-1,171	-128	-1,332	-13	-85	-37
Others	87	83	70	74	50	-	-	-
Direct taxes (net)	12	-26	-361	-552	-395	-696	-815	-964
CF from Op. Activity	1,118	156	506	2,169	573	2,454	2,806	3,344
Capex	-83	-440	-503	-1,112	-1,454	-513	-535	-634
FCFF	1,035	-284	3	1,057	-881	1,940	2,271	2,709
Interest income	1	63	47	75	197	313	335	369
Others	-894	341	-239	-2,416	1,160	-450	-450	-450
CF from Inv. Activity	-976	-37	-695	-3,453	-97	-650	-650	-716
Share capital	749	-1	3	8	6	-	-	-
Borrowings	-719	13	494	2,104	-216	-	-	-
Finance cost	-58	-50	-79	-95	-89	-80	-72	-64
Dividend	-	-	-53	-106	-146	-214	-251	-297
Others	-76	-103	-168	-266	-306	350	350	350
CF from Fin. Activity	-104	-141	196	1,645	-751	56	28	-11
(Inc)/Dec in Cash	38	-21	7	361	-274	1,860	2,184	2,617
Opening balance	4	43	22	29	390	116	1,975	4,159
Closing balance	43	22	29	390	116	1,975	4,159	6,776

E: MOFSL Estimates

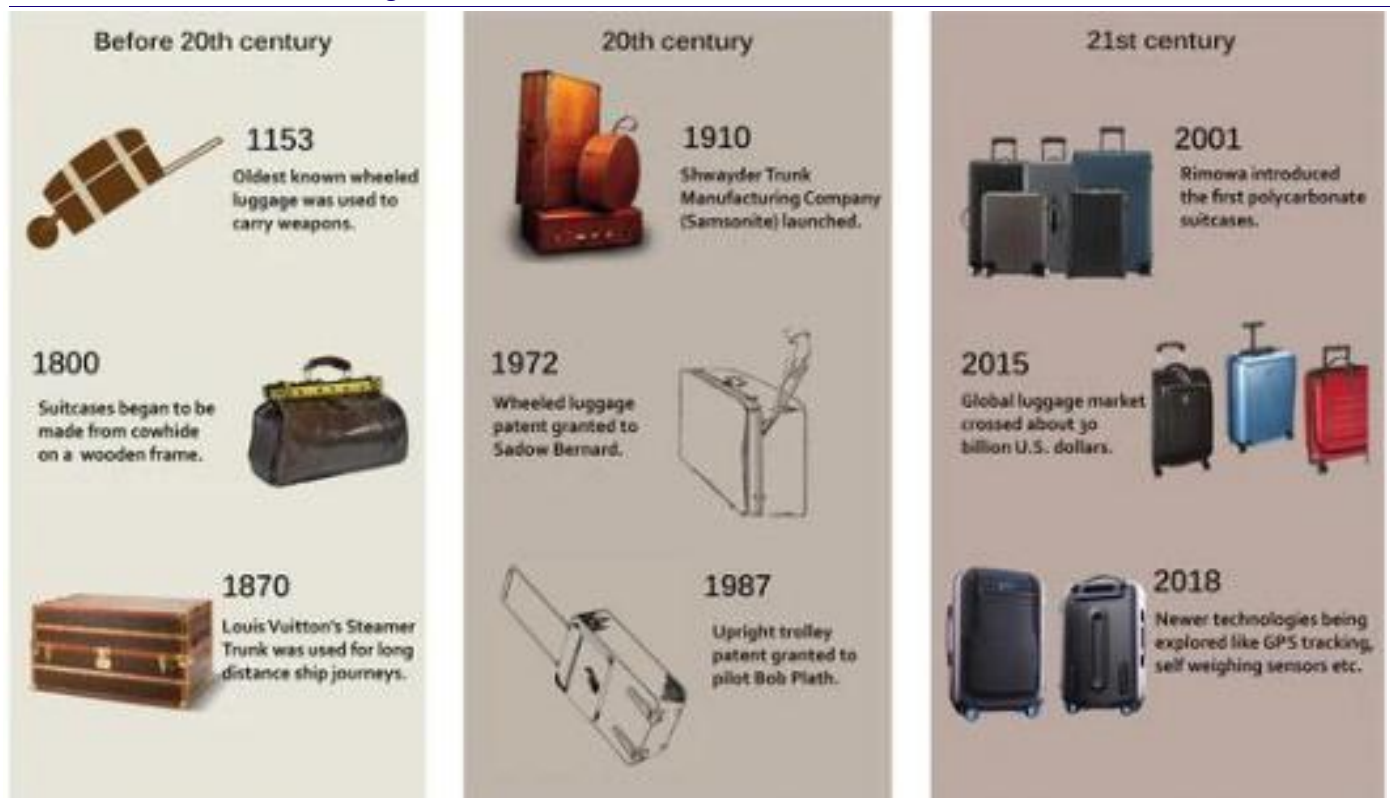
Evolution of the luggage industry

For centuries, luggage has mirrored the progress of human travel—from a basic necessity to a lifestyle and status symbol. Its evolution reflects innovations in materials, technology, and the changing needs and aspirations of travelers worldwide.

Origins in necessity: ancient and medieval eras

- In ancient times, travel essentials were carried in simple containers made of woven reeds, leather, or animal hides. Early civilizations like the Egyptians used functional baskets and bags that doubled as status symbols. As mobility increased in the Middle Ages—through horse-drawn carriages and trade routes—larger wooden trunks adorned with brass and leather became commonplace among nobles. These early forms of luggage weren't just about function; they signaled wealth, purpose, and destination.
- **Ancient times:** Early travelers carried their belongings in simple, functional containers crafted from natural materials such as woven reeds, leather, and animal hides. Civilizations like the Egyptians used baskets and bags that not only served practical purposes but also conveyed social standing.
- **Medieval period:** As travel became more frequent due to expanding trade routes and mobility via horse-drawn carriages, luggage evolved into sturdy wooden trunks often reinforced with brass and leather. These pieces were larger and more durable, catering primarily to nobles and merchants. Beyond utility, decorative embellishments displayed wealth, status, and even hinted at the owner's journey or profession.

Exhibit 119: Evolution of travel bags



Source:, MOFSL

Industrial Age and the birth of modern luggage

The 19th-century Industrial Revolution transformed luggage manufacturing through mass production techniques, making luggage more affordable and widely available. This era witnessed key innovations such as:

- **Suitcases with wood or metal frames:** Early suitcases featured sturdy wood or metal skeletons covered in leather, combining durability with craftsmanship.
- **Steamer trunks:** Designed for the needs of long sea voyages, steamer trunks prioritized waterproofing, secure locks, and compact storage to endure harsh travel conditions.
- **Luxury and craftsmanship:** Despite broader accessibility, travel remained a luxury, and luggage from this period often featured elaborate detailing and premium materials, reflecting status and careful craftsmanship.

This industrial advancement set the foundation for luggage becoming not just functional but also a personal and social symbol.

The Rollaboard Revolution and the rise of functionality (1980s-2000s)

The 1980s ushered in a paradigm shift with Bernard Sadow's invention of the wheeled suitcase, radically enhancing traveler mobility. Key milestones in this era include:

- **Wheeled suitcases:** Sadow's design enabled travelers to effortlessly roll their luggage, reducing the need for porters and easing navigation in airports.
- **The Rollaboard:** Refinements led to the iconic single-wheel rollaboard, which became a global standard for air travelers.
- **Spinner wheels (2000s):** The introduction of four 360-degree spinner wheels provided superior maneuverability, allowing luggage to glide smoothly in any direction.
- **Material innovation:** Brands like Samsonite, TUMI, and VIP embraced lightweight, impact-resistant polycarbonate shells and durable telescopic handles, balancing toughness with convenience.
- **Feature integration:** Alongside design improvements, luggage incorporated features like TSA-approved locks, built-in USB charging ports, and interior organizational systems to cater to evolving traveler needs.

This period marked the transition of luggage from a functional necessity to an ergonomic, tech-enabled travel companion, aligned with the rise of frequent air travel and global connectivity.

Luggage as a lifestyle: Premiumization & Personalization (2010s)

With the global travel boom during the 2010s, luggage evolved beyond mere utility to become a key personal style statement. Durable and lightweight materials like polycarbonate and polypropylene hard shells drove product innovation, combining ruggedness with sleek design. Urban consumers gravitated towards brands such as Mokobara and Assembly, which emphasized aesthetics alongside smart functional features.

Brands innovated segmentation and positioning to resonate with diverse consumer identities:

- VIP launched Skybags, targeting youth with vibrant, trendy designs.
- Safari introduced Urban Jungle to appeal to aspirational, urban travelers seeking both style and durability.

This period marked a clear shift where fashion and function intertwined, making luggage an extension of lifestyle and self-expression rather than just a travel necessity.

Digital disruption and the direct-to-consumer (D2C) shift (post-Covid)

The pandemic accelerated significant transformations in how luggage is marketed and sold:

- E-commerce platforms such as Amazon and Flipkart, alongside brand-owned websites, became primary sales channels.
- Digital-first and D2C brands harnessed social media, especially Instagram influencer partnerships, and aggressive discounting strategies to acquire and engage customers rapidly.
- This digital pivot disrupted traditional general trade models, introducing channel conflicts but vastly expanding market reach and consumer responsiveness.
- Brands reacting agilely to consumer trends gained a competitive advantage in a more connected and data-driven ecosystem.

Smart, sustainable, and self-sufficient: The future of luggage

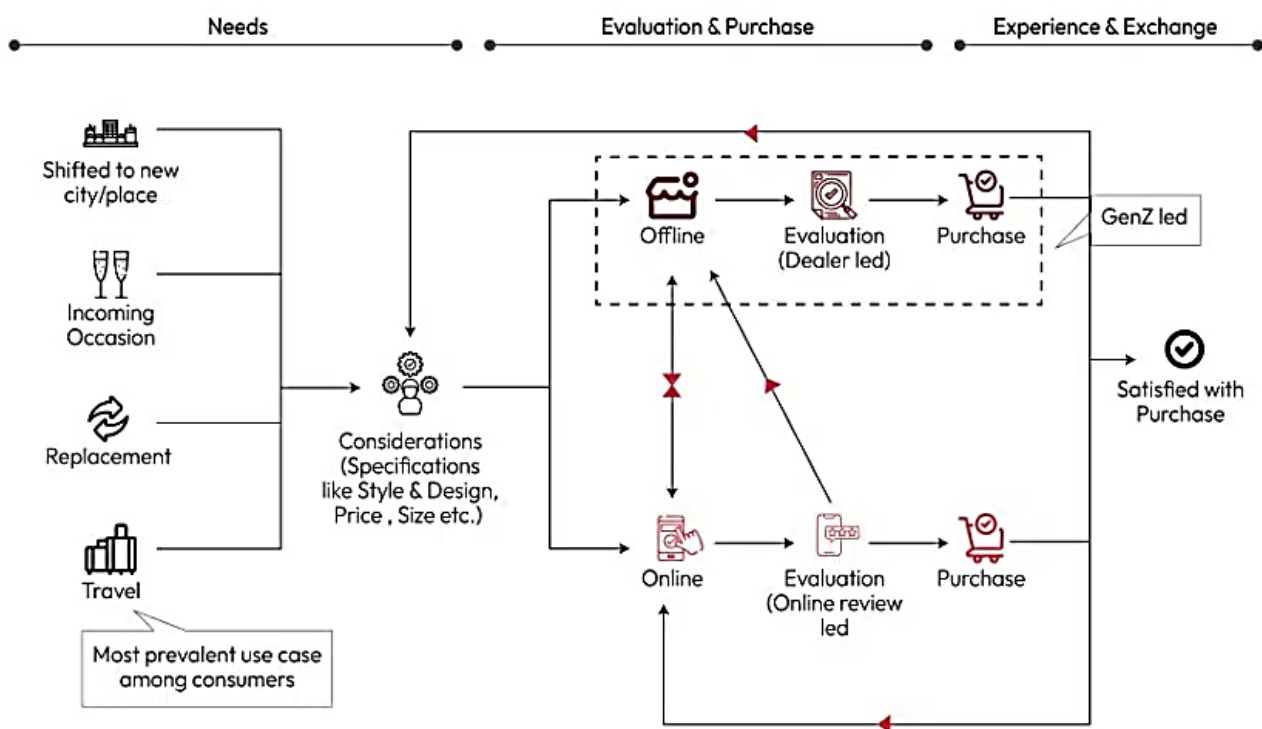
Modern luggage increasingly integrates technology and sustainability, reflecting evolving traveler expectations and values:

- **Smart features:** USB charging ports, GPS tracking, biometric locks, and app integration enhance convenience, security, and connectivity on the go.
- **Sustainability focus:** Growing environmental awareness drives consumer preference for bags made with recycled plastics, bio-based fabrics, and eco-friendly manufacturing processes.
- **Localization of production:** Leading players like Safari and VIP are investing in domestic manufacturing hubs (e.g., Halol for Safari, Nashik for VIP) to reduce dependence on imports, improve margins, and build supply chain resilience.
- **Emerging innovations:** Concepts such as luggage that autonomously follows its owner, dynamically adjusts to varied terrains, or provides live travel updates point toward a highly connected and intelligent future product landscape.

Conclusion

The luggage industry is rapidly evolving into a lifestyle category defined by **premiumization**, **personalization**, and **digital engagement**, fueled by new materials and smart technologies. This transformation is supported by sustainable manufacturing and increasing local production autonomy, laying the groundwork for futuristic, highly functional, and eco-conscious travel companions aligned with modern consumer values.

Exhibit 120: The consumer life cycle



Source:, MOFSL

Key private players driving innovation in India's luggage industry

Samsonite

Samsonite

- Founded in 1910 in Denver, Colorado, Samsonite has grown from a small trunk manufacturing business into one of the world's most recognized and trusted names in travel goods. With a heritage spanning over a century, the brand has become synonymous with durability, innovation, and timeless design, consistently setting benchmarks in the global luggage industry.
- Today, Samsonite's diversified brand portfolio includes Samsonite, American Tourister, TUMI, Gregory, and several regional labels, strategically positioned to serve a wide spectrum of consumer needs and price points. The flagship Samsonite brand is positioned in the premium and high-performance travel gear segment, catering to affluent, frequent travelers who value technical innovation, superior materials, and long-term reliability.
- The American Tourister brand targets style-conscious, value-driven customers, particularly younger, urban, and emerging-market consumers, competing in the mid-value segment against brands such as Skybags and Nasher Miles. This dual-brand strategy enables Samsonite to capture both premium and mass-market share, leveraging differentiated marketing, distribution, and product design.
- In India, operations are managed by Samsonite South Asia Pvt. Ltd., overseeing both the premium Samsonite brand and the more affordable American Tourister line. India remains a high-growth market for the company, driven by rising disposable incomes, expanding travel demand, and the rapid adoption of e-commerce channels.

Exhibit 121: Product portfolio



Source: Company, MOFSL

- Backed by cutting-edge R&D, sustainability initiatives, and a global supply chain, Samsonite continues to lead the industry in innovation, from lightweight polycarbonate designs to smart, tech-enabled, and eco-conscious travel solutions, cementing its position as a category leader in both global and emerging markets.

Strategic focus areas in India

Samsonite India is advancing a multi-pronged growth strategy aimed at consolidating market leadership while deepening consumer engagement across segments and geographies:

Omnichannel excellence

The company continues to strengthen its integrated offline–online retail ecosystem, investing simultaneously in seamless digital platforms and enriched in-store brand experiences. This includes enhanced visual merchandising, customer service training, and technology-enabled store formats designed to deliver a premium and consistent brand presence across all touchpoints.

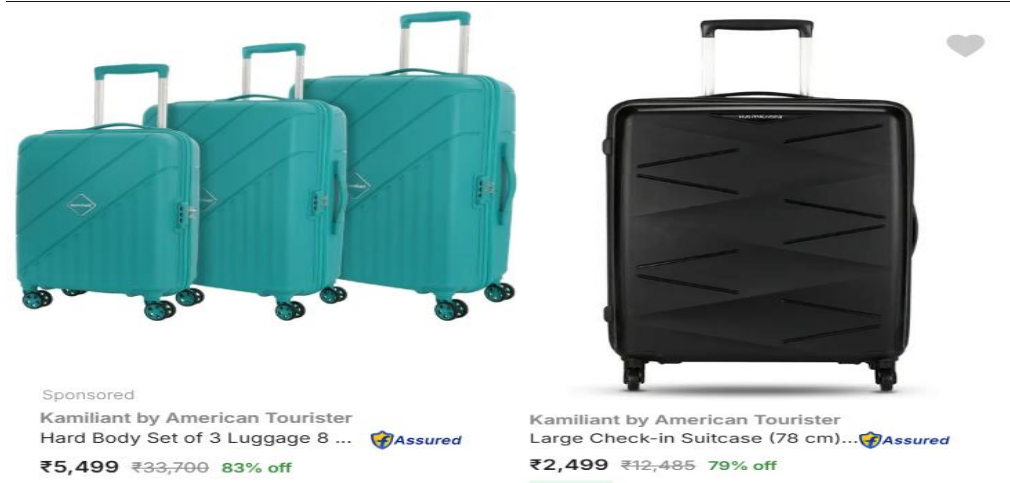
Product innovation and sustainability leadership

Innovation remains central to Samsonite’s India playbook, with ongoing releases of smart luggage solutions incorporating features such as integrated tracking, USB charging, and advanced security mechanisms. The portfolio is also evolving towards eco-friendly materials and recycled components, aligning with both global corporate sustainability goals and the growing demand from environmentally conscious Indian consumers.

Market penetration beyond metros

To tap into the rapidly expanding travel demand in Tier-2 and Tier-3 cities, Samsonite is leveraging American Tourister’s vibrant, affordable product lines along with accessible Samsonite ranges. This expansion is supported by an adaptive retail format strategy, including shop-in-shops, standalone stores in high-potential urban clusters, and strategic partnerships with regional retail chains.

Exhibit 122: Samsonite doing discounting in Kamilaint to gain volume



Product	Original Price	Discounted Price	Discount
Kamilaint by American Tourister Hard Body Set of 3 Luggage 8 ...	₹33,700	₹5,499	83% off
Kamilaint by American Tourister Large Check-in Suitcase (78 cm)...	₹12,485	₹2,499	79% off

Source: Company, MOFSL

Brand building and consumer connect

High-impact marketing campaigns, celebrity endorsements, and collaborations with cultural and sports icons reinforce Samsonite’s positioning as both a premium lifestyle brand and a symbol of affordable luxury travel. The brand’s communication strategy blends aspirational storytelling with functional product highlights, resonating across demographic groups.

Backed by a strong premium brand image, diversified product portfolio, and omnichannel reach, Samsonite is well-placed to capture India’s fast-growing appetite for stylish, durable, and sustainability-driven travel gear—cementing its position at the intersection of affordable luxury and everyday functionality.

Customer segmentation

Samsonite’s Indian operations strategically address diverse customer cohorts, each with distinct travel behaviors, lifestyle priorities, and brand expectations:

- **Affluent professionals and frequent flyers:** This core segment is the primary audience for the Samsonite brand. These travelers, comprising senior corporate executives, high-income professionals, and globe-trotting entrepreneurs, seek premium, precision-engineered luggage offering durability, advanced functionality, and sophisticated design. Their purchases are often driven by brand trust, product longevity, and the convenience of features tailored for both intensive business travel and high-end leisure trips.
- **Urban millennials, students, and family travelers:** Targeted through the American Tourister brand, this segment includes young adults, college students, and aspirational urban households. These consumers value eye-catching aesthetics, functional layouts, and accessible price points, making American Tourister a preferred choice for those balancing style with affordability. This group is highly brand-conscious, responsive to seasonal trends, and heavily influenced by online reviews and social media engagement.
- **Corporate and institutional buyers:** Samsonite also serves a significant B2B client base, including multinational corporations, government bodies, educational institutions, and event organizers. This segment procures bulk travel solutions such as executive travel kits, co-branded merchandise, and corporate gifting products, often prioritizing durability, consistent quality, and custom branding to meet professional or promotional requirements.

By catering to these distinct segments through a multi-brand, multi-channel strategy, Samsonite maximizes its market reach in India—driving brand loyalty among top-tier travelers while sustaining strong volume growth in the style-conscious value segment and institutional procurement channels.

Revenue channels

Samsonite operates in India through a multi-channel distribution model designed to maximize reach, brand visibility, and consumer accessibility across diverse shopping behaviors:

Extensive brick-and-mortar presence: The company maintains a robust physical retail network, including EBOs, prominent placements within multi-brand luggage

and lifestyle stores, and high-traffic locations such as malls, airports, and premium travel hubs. These locations not only drive sales but also serve as brand experience touchpoints, reinforcing Samsonite's premium positioning.

Expanding digital ecosystem: Samsonite has developed a strong e-commerce footprint, partnering with leading online marketplaces such as Flipkart, Amazon, and Tata CLiQ, while also operating direct-to-consumer (D2C) branded webstores for both Samsonite and American Tourister. This channel serves tech-savvy, convenience-driven shoppers, supported by quick delivery, exclusive online collections, and robust after-sales service integration.

Omnichannel evolution and strategy shift: While historically weighted toward offline retail, the brand has significantly accelerated its digital-first approach post-pandemic. Today, Samsonite India is moving toward a balanced omnichannel mix, leveraging data-driven marketing, click-and-collect services, and unified inventory management to seamlessly integrate offline and online experiences in line with evolving consumer preferences.

By harmonizing its physical retail dominance with rapid digital growth, Samsonite ensures comprehensive market coverage, catering equally to experience-seeking in-store shoppers and digitally native customers—while protecting brand equity and sustaining premium price positioning.

Manufacturing and supply chain

- **Expanding local footprint:** While Samsonite India traditionally sourced a significant portion of its inventory from global production hubs, including facilities in Vietnam, Hungary, and China, to ensure global design consistency and quality standards, the company is increasingly expanding its local manufacturing capabilities. Its Nasik plant in Maharashtra, established in 1997, is now poised to become Samsonite's largest manufacturing base globally. Recent investments exceeding INR2.5b are focused on ramping up capacity from around 500,000 to 750,000 hard luggage pieces per month last year, catering to both domestic demand and export markets under the company's "China Plus One" supply chain strategy. This expansion includes state-of-the-art pressure molding technology unique to the Nasik facility, enabling premium product quality with advanced material applications.
- **Emphasis on quality, innovation, and centralized R&D:** Despite the growth in Indian manufacturing, Samsonite continues to prioritize stringent global quality controls and central research & development efforts headquartered internationally. The Indian factory aligns with global design and quality assurance processes to maintain uniform standards across markets while leveraging the advantages of localized production. Local manufacturing facilitates rapid response to the burgeoning Indian travel market and allows cost efficiencies without compromising on innovation, durability, and sustainability commitments.
- **Strategic supply chain adaptations:** Samsonite's evolving supply chain reflects broader industry trends toward diversification and risk mitigation. The India facility supports the company's objective to reduce reliance on China, improve

lead times, and respond to regional growth opportunities in Asia and beyond. Exports from Nashik currently account for ~10% of production and are expected to double in line with the company's capacity expansion plans.

- **Warehousing and logistics:** Complementing manufacturing, Samsonite is investing in warehouse expansions and collaborating with third-party logistics providers near Nashik to enhance distribution efficiency. This infrastructure supports both retail channel demands across more than 600 stores in India and growing e-commerce orders.

Financial growth

- Samsonite's revenue momentum has picked up over the last three years, driving its EBITDA margins to 16% in FY24. However, in the recent past, market forces indicate that the company is focusing on reviving the Kamiliant brand with higher discounting in the trade, thus driving volumes.

Consolidated income statement

INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	9,110	9,748	9,412	10,093	12,612	13,681	5,007	10,796	18,825	22,988
Change (%)		7.0	-3.4	7.2	25.0	8.5	-63.4	115.6	74.4	22.1
Raw Materials	4,941	5,214	5,136	5,199	6,661	7,363	2,996	6,064	10,288	12,118
Gross Profit	4,169	4,535	4,276	4,894	5,952	6,319	2,011	4,732	8,537	10,870
Employee Cost	782	765	808	1,027	1,294	1,365	1,033	1,404	1,877	2,228
Other Expenses	2,012	2,100	2,184	2,264	2,493	2,827	2,550	1,780	3,837	4,961
Total Expenditure	7,734	8,078	8,127	8,490	10,448	11,555	6,580	9,247	16,002	19,307
% of Net Sales	84.9	82.9	86.3	84.1	82.8	84.5	131.4	85.7	85.0	84.0
EBITDA	1,376	1,670	1,285	1,603	2,164	2,127	-1,573	1,548	2,823	3,681
Margin (%)	15.1	17.1	13.7	15.9	17.2	15.5	-31.4	14.3	15.0	16.0
Depreciation	161	151	139	102	90	70	352	449	496	730
EBIT	1,215	1,519	1,147	1,501	2,073	2,057	-1,925	1,099	2,326	2,951
Interest	35	7	5	8	10	21	114	148	166	312
Other Income	68	68	83	127	32	58	63	47	151	244
PBT Before EO Exp	1,248	1,580	1,225	1,620	2,095	2,094	-1,976	998	2,311	2,883
EO Items	0	0	0	0	0	0	0	0	0	0
PBT After EO Exp	1,248	1,580	1,225	1,620	2,095	2,094	-1,976	998	2,311	2,883
Tax	435	549	425	572	740	688	-490	255	587	751
Rate (%)	34.8	34.8	34.7	35.3	35.3	32.9	24.8	25.5	25.4	26.0
Reported PAT	813	1,031	799	1,048	1,355	1,406	-1,486	743	1,724	2,132
Change (%)		26.7	-22.5	31.2	29.2	3.8	-205.7	-150.0	132.0	23.7



Wildcraft India Limited

- Founded in the late 1980s and headquartered in Bangalore, Wildcraft India Limited has emerged as one of India's premier outdoor lifestyle and adventure gear brands. Originally established with a focus on trekking and outdoor essentials, Wildcraft has since evolved into a comprehensive head-to-toe outfitter, offering a broad portfolio that includes backpacks, rucksacks, tents, performance apparel, footwear, and, most recently, a dedicated range of travel cases and luggage.
- The company's steady strategic diversification reflects its commitment to becoming a one-stop brand for versatile, durable, and adventure-ready products. Wildcraft's origins lie in the hands-on experience of outdoor enthusiasts, and the brand continues to emphasize innovation, quality engineering, and functional design tailored to rugged terrains and active lifestyles.
- Over the years, Wildcraft has expanded its presence across India with an extensive retail network of exclusive stores and distribution through thousands of multi-brand outlets. The brand's Indian identity is coupled with ambitions to scale regionally and internationally, supported by sizable investments in research and development, manufacturing capabilities, and experiential marketing.
- Wildcraft's recent growth has also included ventures beyond traditional outdoor gear, addressing the rising demand for travel and luggage solutions that meet the needs of adventurers and urban travelers alike. The company's evolution underscores a holistic approach, equipping consumers for a variety of environments, from wilderness expeditions to everyday urban mobility.

Strategic vision

Wildcraft aims to be a globally recognized, Indian-origin performance lifestyle brand, delivering durable, stylish, and affordable travel, outdoor, and mobility solutions through expanded domestic scale, retail penetration, and responsible innovation.

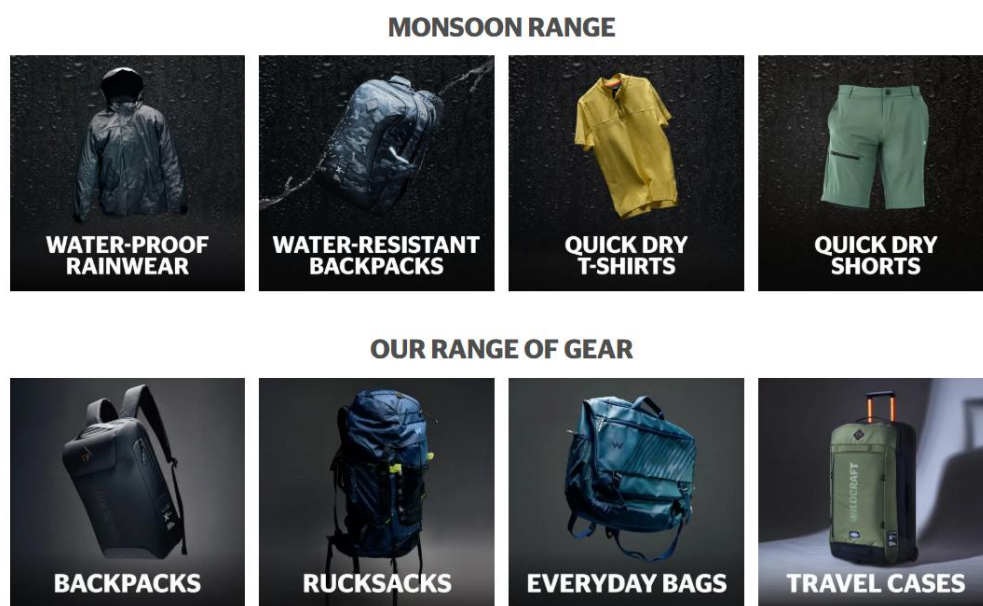
Product portfolio

Wildcraft offers a diversified and well-integrated product portfolio spanning both urban mobility and outdoor adventure categories, reinforcing its positioning as a complete head-to-toe outfitter. The company's offerings include:

- Backpacks & Rucksacks – A core revenue driver, covering everyday school and commute backpacks, urban daypacks, and high-capacity technical rucksacks engineered for trekking, hiking, and expeditions.
- Duffle Bags & Travel Cases – Versatile options for short-haul and long-haul travel, including soft luggage, hard trolley cases, and hybrid duffle designs that merge style with durability.
- Technical Outdoor Gear – Purpose-built products such as tents, sleeping bags, and hydration packs, designed to withstand varied terrains and climate conditions.
- Performance Apparel – Weather-resistant jackets, quick-dry trousers, base layers, and accessories for outdoor and travel use, balancing functionality with modern aesthetics.
- Footwear – A growing category encompassing trekking shoes, outdoor sandals, and multi-terrain performance footwear for both adventure sports and lifestyle wear.

By integrating travel, outdoor, and lifestyle gear under one brand umbrella, Wildcraft caters to a broad spectrum of consumers, from urban commuters and students to trekking enthusiasts and seasoned adventurers. This wide-ranging portfolio not only strengthens brand relevance across use cases but also enables the company to capture multiple consumer spending occasions within the mobility and outdoor lifestyle segments.

Exhibit 123: Product portfolio



Source: Company, MOFSL

Customer segmentation

Wildcraft serves a wide consumer base spanning urban commuters, students, young adults, budget-conscious travelers, outdoor enthusiasts, and institutional clients. Its appeal cuts across metros and Tier-2/3 cities, offering affordable, stylish, and durable gear for everyday mobility and adventure use. By addressing both lifestyle and technical needs—from backpacks and travel cases to rugged outdoor equipment—Wildcraft aligns closely with India’s growing middle class, rising travel demand, and increasing brand preference.

Distribution channels

Wildcraft operates a wide-reaching, multi-channel distribution network that ensures strong national coverage and brand visibility. The company has over 200 exclusive brand outlets (EBOs), compared to around 145 for Safari and 400+ for VIP, supported by more than 7,500 multi-brand retail touchpoints spanning 600+ cities across India. This extensive presence enables the company to serve both metro and Tier-2 & 3 markets, balancing brand-owned experiential stores with a robust wholesale footprint. The network is further complemented by a growing e-commerce presence through leading online marketplaces and the brand’s own digital store, ensuring accessibility for both walk-in customers and digitally native shoppers.

Financial growth

Wildcrafts' revenue remained volatile over the past three years as consumer preferences were tilted towards hard luggage, reflecting an EBITDA margin of 5% in FY24.

Consolidated income statement

INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	1,392	1,750	2,234	2,762	3,252	3,220	4,949	4,139	6,042	5,402
Change (%)		25.7	27.6	23.7	17.7	-1.0	53.7	-16.4	46.0	-10.6
Raw Materials	438	542	843	988	1,297	1,225	2,202	1,971	2,882	2,539
Gross Profit	954	1,208	1,391	1,774	1,956	1,995	2,747	2,168	3,160	2,863
Employee Cost	466	574	634	836	879	867	793	794	1,062	1,227
Other Expenses	428	584	722	830	1,168	976	1,593	1,023	1,345	1,367
Total Expenditure	1,333	1,700	2,199	2,654	3,344	3,069	4,588	3,789	5,288	5,133
% of Net Sales	95.7	97.1	98.4	96.1	102.8	95.3	92.7	91.5	87.5	95.0
EBITDA	59	50	35	109	-91	151	361	350	754	269
Margin (%)	4.3	2.9	1.6	3.9	-2.8	4.7	7.3	8.5	12.5	5.0
Depreciation	25	61	76	99	111	120	324	324	402	516
EBIT	34	-11	-41	9	-202	32	37	26	351	-247
Interest	26	79	94	104	49	32	123	119	149	279
Other Income	8	10	6	3	21	29	101	98	52	29
PBT Before EO Exp	16	-80	-130	-91	-230	29	14	5	254	-497
EO Items	0	0	0	0	0	0	0	0	0	0
PBT After EO Exp	16	-80	-130	-91	-230	29	14	5	254	-497
Tax	-7	9	0	0	0	0	0	-137	49	-75
Rate (%)	-46.0	-10.6	0.0	0.0	0.0	0.0	0.0	-2631.7	19.4	15.0
Reported PAT	23	-88	-130	-91	-230	29	14	142	205	-422
Change (%)		-482.3	46.5	-29.4	151.8	-112.6	-50.5	889.7	43.7	-306.4



Nasher Miles

- Launched in 2017 by entrepreneurs Shruti Kedia Daga, Lokesh Daga, and Abhishek Daga, Nasher Miles has swiftly established itself as a leading player in India's mid-premium luggage segment. The brand is designed for upwardly mobile, fashion-conscious urban and semi-urban consumers, particularly those aged 25 to 34, who seek a compelling blend of style, functionality, and affordability.
- Nasher Miles offers a broad product range including travel bags, luggage sets, corporate backpacks, laptop trolleys, and travel accessories such as neck pillows and luggage covers. The brand differentiates itself through a strong emphasis on contemporary design, durable materials, and tech-enabled convenience features, resonating effectively with evolving travel preferences.
- Competing with established players like Skybags and American Tourister, Nasher Miles has grown as a modern, digital-first, D2C luggage brand, boasting notable milestones such as becoming the official travel partner of the Chennai Super Kings IPL team and securing an All-Shark Deal on Shark Tank India Season 3, highlighting investor confidence in its growth potential.
- With a commitment to innovation, customer-centricity, and style, Nasher Miles continues to reshape the Indian luggage landscape, appealing to new-age travelers who value luggage as both a functional asset and a fashion statement.

Exhibit 124: Product portfolio



Source: Company, MOFSL

Strategic focus

Nasher Miles is driving an aggressive omnichannel growth agenda, centered on strengthening its metro-focused retail and digital presence while integrating emerging formats like quick commerce, which is projected to contribute around 15% of sales by FY25. The company has shifted 75% of its manufacturing to India, delivering 20–25% margin improvements through cost efficiencies and supply-chain agility. Backed by recent funding inflows, Nasher Miles is prioritizing execution excellence during the festive season, leveraging high-consumption cycles to accelerate sales. Post-season, it plans a fresh fundraising to fuel the next phase of expansion, with a continued emphasis on portfolio diversification, channel optimization, and scalable brand-building initiatives.

Customer segmentation

Nasher Miles serves a diverse and fast-evolving consumer base, with strong resonance among:

- Young aspirational buyers (25–34 years) – style-conscious professionals and young families seeking modern, design-led travel gear at accessible price points.
- Digitally native shoppers – online-first consumers drawn to trendy aesthetics, competitive deals, and frictionless purchasing via major e-commerce platforms.
- Enterprise and institutional clients – corporates and institutions procuring bulk, custom-branded luggage and backpacks for gifting, employee use, and promotional purposes.

This segmentation positions Nasher Miles at the intersection of affordability, style, and convenience, enabling it to capture both high-growth retail demand from urban millennials and volume-driven B2B opportunities within India’s expanding business ecosystem.

Distribution and channel mix

Nasher Miles operates through a hybrid distribution model that combines its digital-first DNA with a steadily growing offline retail footprint:

- **Digitally driven sales engine:** A majority of revenues are driven through strong partnerships with leading e-commerce marketplaces such as Amazon, Myntra, and Flipkart, reinforcing the brand’s position as a digitally native, online-first leader in the mid-premium luggage segment.
- **Brick-and-mortar expansion:** In line with its omnichannel ambitions, the company is accelerating offline growth with plans to open 20–25 EBOs by the end of FY26. The current pipeline includes three stores in Mumbai, two in Hyderabad, and one in Ahmedabad, with further site scouting in Tier-I cities. The longer-term goal is to scale to 100 EBOs within two years, enhancing brand visibility and experiential engagement.
- **Channel revenue mix:** Presently, trolley bags contribute 92–95% of its revenue. Strategic focus is now on diversifying into adjacent categories such as backpacks and travel accessories, with an aim to double their revenue contribution to a double-digit share by the fiscal year-end.

This balanced channel strategy allows Nasher Miles to leverage the reach and efficiency of digital commerce while cultivating physical brand presence for deeper market penetration, product cross-selling, and enhanced consumer experience.

Financial growth

Nasher Miles’ EBITDA margin stood at (0.8%) in FY24 vs. (~15% avg. for the three largest organized players). The cash conversion cycle was 125 days in FY24 (vs. 75 days for peers), which was due to higher inventory days at 94.

Consolidated income statement

INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	568	628	468	332	515	640	726	1,074	1,414	1,652
Change (%)		10.5	-25.4	-29.0	55.0	24.3	13.4	48.0	31.7	16.8
Raw Materials	549	589	405	234	385	533	604	848	1,045	1,153
Gross Profit	19	39	63	98	130	107	121	226	368	499
Employee Cost	3	6	15	17	21	20	18	31	45	60
Other Expenses	38	84	79	75	112	100	101	220	254	478
Total Expenditure	590	679	499	327	517	654	723	1,098	1,345	1,691
% of Net Sales	103.9	108.2	106.7	98.4	100.5	102.1	99.6	102.3	95.1	102.4
EBITDA	-22	-51	-31	5	-3	-14	3	-25	69	-39
Margin (%)	-3.9	-8.2	-6.7	1.6	-0.5	-2.1	0.4	-2.3	4.9	-2.4
Depreciation	0	0	0	1	1	1	1	1	1	2
EBIT	-22	-52	-32	5	-3	-14	2	-26	68	-41
Interest	5	3	6	9	11	15	21	28	33	48
Other Income	37	67	57	10	23	39	26	87	39	26
PBT Before EO Exp	10	12	20	6	9	10	7	34	74	-63
EO Items	0	0	0	0	0	0	0	0	0	0
PBT After EO Exp	10	12	20	6	9	10	7	34	74	-63
Tax	3	0	7	2	3	3	1	10	19	0
Rate (%)	31.0	0.1	35.1	27.8	27.7	27.9	16.9	28.6	25.2	0.1
Reported PAT	7	12	13	4	7	7	6	24	55	-63
Change (%)		77.4	5.0	-67.4	60.8	7.8	-17.2	303.9	130.6	-213.2



Hidesign India

- Founded in 1978 in Pondicherry by Dilip Kapur, Hidesign has grown into a distinguished and internationally respected leather goods brand known for its handcrafted, eco-friendly luggage and leather accessories. Originating as a small artisan workshop, Hidesign is built on the philosophy of sustainable craftsmanship, specializing in the use of vegetable-tanned leather and brass hardware that celebrates traditional Indian tanning techniques and artisanal quality.
- Founder, Dilip Kapur, transitioned from a hobbyist leatherworker—learning his craft during his PhD years in the United States—to establishing a brand that gained early international traction, particularly across Europe, Australia, and the US, well before entering the Indian mainstream market in the late 1990s. The company’s products reflect a blend of heritage craftsmanship, natural materials, and timeless design, with strong adherence to environmental responsibility via innovative, low-impact tanning processes and waste management systems.
- By 2018, Hidesign had expanded its footprint to over 24 countries, establishing a global presence with more than 80 exclusive stores and placement in over 2,000 retail outlets worldwide. Its atelier in Pondicherry remains a hub for artisan production, emphasizing craftsmanship and community.
- Hidesign stands as a pioneer in sustainable luxury leather goods in India, catering to discerning consumers who value authenticity, durability, and eco-conscious design.

Strategic vision

Hidesign aspires to be internationally recognized as a luxury leather brand of Indian origin, celebrated for its artisanal craftsmanship, sustainable production, and timeless design. Rooted in eco-conscious practices such as vegetable tanning and the use of solid brass hardware, the brand seeks to elevate travel and lifestyle accessories into enduring heritage pieces that blend functionality, elegance, and cultural authenticity. This vision reflects Hidesign’s commitment to responsible luxury and its mission to position Indian craftsmanship on the global stage.

Product portfolio

Hidesign offers a premium, handcrafted product range spanning travel bags, luggage, handbags, briefcases, laptop bags, wallets, belts, and small leather accessories, all rooted in its philosophy of sustainable artisanal craftsmanship. The brand’s luggage line blends durability, functionality, and aesthetic sophistication, often incorporating vegetable-tanned leathers, solid brass fittings, and distinctive design details. Signature pieces, such as the Kingsley hardsided cabin trolley, priced around INR18,700, showcase Hidesign’s commitment to combining heritage leatherwork with modern travel utility, appealing to consumers who view travel gear as both a luxury accessory and a functional essential.

Exhibit 125: Product portfolio



Source: Company, MOFSL

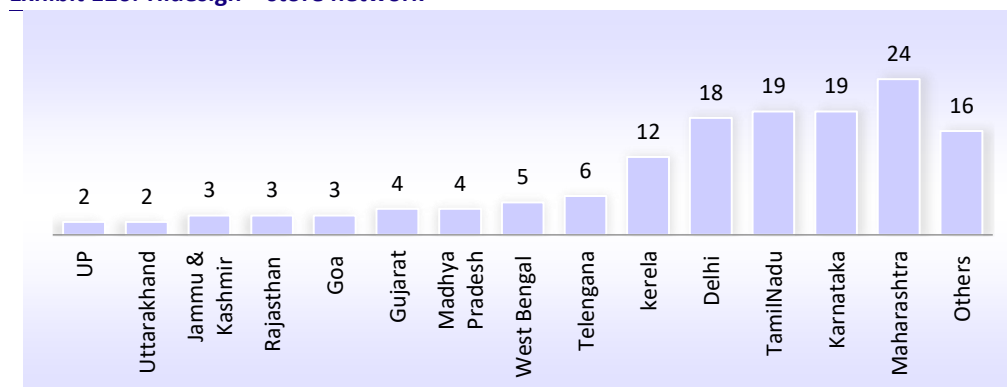
Customer segmentation

Hidesign caters to discerning urban consumers who seek premium, durable, and stylish leather travel and lifestyle products. Its core audience includes professionals, business travelers, and fashion-conscious customers concentrated in metro cities, high-end retail hubs, and resort destinations. These buyers value sustainability, artisanal craftsmanship, and timeless aesthetics, viewing Hidesign products as both functional essentials and expressions of personal style.

Distribution channels

Hidesign operates a premium, multi-channel distribution network designed to reinforce its luxury positioning and global appeal. The brand's brick-and-mortar presence includes exclusive stores in high-end malls, flagship locations, and airport retail outlets, offering an immersive brand experience for discerning travelers and shoppers. Complementing its offline network, Hidesign leverages select premium e-commerce platforms such as *Amazon*, *Tata CLiQ Luxury*, and *Myntra*, alongside its own D2C website, to reach digitally savvy consumers seeking convenience without compromising on exclusivity. This omnichannel approach ensures consistent brand visibility across both destination retail hubs and premium online marketplaces, catering to its style-conscious, quality-driven customer base.

Exhibit 126: Hidesign – store network



Source: Company, MOFSL

Financial growth

Hidesign delivered a strong recovery in revenue following the pandemic. However, recently, the revenue momentum has ebbed, reflecting a flat operating performance.

Consolidated income statement										INR m
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	1,032	998	1,111	1,187	1,362	1,328	624	1,159	1,861	1,869
Change (%)		-3.3	11.3	6.9	14.8	-2.6	-53.0	85.9	60.5	0.4
Raw Materials	238	211	203	221	274	246	151	183	324	344
Gross Profit	794	787	907	966	1,089	1,082	472	976	1,537	1,525
Employee Cost	225	234	270	304	336	335	157	254	321	370
Other Expenses	495	499	636	625	687	732	332	618	1,001	952
Total Expenditure	958	944	1,110	1,150	1,296	1,313	640	1,055	1,646	1,665
% of Net Sales	92.8	94.5	99.9	96.9	95.1	98.9	102.7	91.0	88.5	89.1
EBITDA	74	54	1	37	67	14	-17	104	215	204
Margin (%)	7.2	5.5	0.1	3.1	4.9	1.1	-2.7	9.0	11.5	10.9
Depreciation	19	13	10	9	7	9	7	5	5	7
EBIT	55	42	-9	27	59	6	-24	99	210	197
Interest	8	9	11	11	11	12	7	3	2	0
Other Income	1	1	0	2	1	24	4	15	16	25
PBT Before EO Exp	48	34	-20	19	50	18	-26	111	223	221
EO Items	0	0	0	0	0	0	0	0	0	0
PBT After EO Exp	48	34	-20	19	50	18	-26	111	223	221
Tax	12	10	-1	3	11	4	0	24	60	59
Rate (%)	24.4	30.0	3.5	16.9	22.1	20.4	0.0	21.6	27.0	26.6
Reported PAT	36	24	-19	16	39	14	-26	87	163	162
Change (%)		-34.8	-181.3	-180.8	148.3	-63.5	-286.7	-429.9	87.3	-0.3



High Spirit Commercial Ventures (Priority Bags)

- Founded in 2005 under High Spirit Commercial Ventures Pvt. Ltd., Priority Bags has emerged as one of India's prominent and trusted brands specializing in functional, stylish, and value-for-money travel solutions. The brand primarily caters to school and college students, young professionals, and frequent travelers, offering a diverse product range encompassing school bags, laptop bags, backpacks, and duffel-style luggage.
- Emphasizing its Made-in-India heritage, Priority Bags leverages a vast manufacturing and distribution network that supports widespread availability and affordability. The company stands as a leader in the competitive Indian backpack market, producing millions of bags annually across multiple brands, including Priority, Humpty Dumpty, and Hashtag, targeting various market segments from youth to corporate clients.
- With offices in key cities and a distribution network covering over 3,500 multi-brand outlets nationwide, High Spirit Commercial Ventures continues to expand market reach, underpinned by robust manufacturing facilities, including newly established plants equipped to scale production sustainably. The brand's focus on blending durability, style, and practicality aligns with the evolving needs of India's growing middle-class consumers who demand reliable and fashionable travel and utility bags.

Strategic vision

Priority Bags envisions becoming a trusted, go-to brand for India's youth, delivering products that seamlessly balance affordability, style, and functionality. Anchored in domestic manufacturing and practical, trend-responsive designs, the brand aims to scale through an expansive digital presence and omnichannel retail network. By consistently refreshing its offerings to match evolving tastes while preserving value-for-money accessibility, Priority Bags seeks to strengthen its niche within India's organized luggage and accessories market. The company's guiding ethos, *'bags that inspire journeys, from classrooms to offices to adventures'*, remains central to its identity and long-term growth ambitions.

Customer segmentation

Priority Bags serves an aspirational yet value-driven consumer base, primarily comprising students and early-career professionals aged 15–30. These consumers prioritize affordability, durability, and contemporary styling, seeking bags that balance everyday functionality with aesthetic appeal. The brand's unisex designs and practical features, such as water resistance, lightweight construction, and easy-mobility formats such as spinners and 2-wheel duffels, make it a preferred choice for daily commuting, academic use, and leisure travel. This positioning resonates strongly with cost-conscious urban and semi-urban buyers who demand reliable, stylish, and 'Made-in-India' travel solutions.

Exhibit 127: Product portfolio



Source: Company, MOFSL

Distribution channels

Priority Bags maintains a strong pan-India presence through a broad multi-channel distribution network. The brand is widely available on leading online platforms such as *Flipkart*, *Amazon*, *JioMart*, and *ShopTheWorld*, supporting extensive digital reach and accessibility. Alongside its digital footprint, Priority Bags benefits from distribution across ~8,000 points of sale nationwide, including multi-brand retail outlets and regional malls, thus enhancing brand visibility and recall in both urban and semi-urban markets. This extensive offline presence is supported by well-established manufacturing and warehousing facilities, enabling efficient supply to a diverse customer base primarily consisting of students, young professionals, and frequent travelers. This synergistic channel mix balances e-commerce convenience with physical retail accessibility, facilitating pan-India penetration despite the absence of detailed public sales channel data.

Financial growth

According to the available financials, Priority Bags has reported strong revenue over the last two years, reflecting strong volume growth, while its EBITDA margin settled at ~7-8%, despite higher promotional intensity, fueled by rising competition.

Consolidated income statement

	INR m							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	1,768	2,138	2,230	1,957	1,692	1,426	2,083	2,506
Change (%)		20.9	4.3	-12.2	-13.5	-15.8	46.1	20.3
Raw Materials	1,235	1,377	1,439	1,226	980	863	1,291	1,410
Gross Profit	533	760	791	731	712	562	792	1,096
Employee Cost	48	72	97	110	72	72	81	128
Other Expenses	373	505	490	517	511	386	555	757
Total Expenditure	1,657	1,955	2,027	1,853	1,564	1,321	1,928	2,295
% of Net Sales	93.7	91.4	90.9	94.7	92.4	92.6	92.6	91.6
EBITDA	111	183	203	104	129	105	155	211
Margin (%)	6.3	8.6	9.1	5.3	7.6	7.4	7.4	8.4
Depreciation	8	8	10	11	15	11	10	25
EBIT	103	175	193	93	114	94	145	186
Interest	41	65	109	91	86	84	107	106
Other Income	16	10	8	5	6	21	4	1
PBT Before EO Exp	78	121	92	6	34	31	41	81
EO Items	0	0	0	0	0	0	0	0
PBT After EO Exp	78	121	92	6	34	31	41	80
Tax	31	43	35	4	9	9	12	23
Rate (%)	39.8	35.3	38.0	57.6	25.5	27.6	29.9	28.8
Reported PAT	47	78	57	3	26	22	29	57
Change (%)		67.1	-27.3	-95.3	863.2	-12.4	28.2	98.5



Uppercase (Acefour)

Introduction

Established in 2021, Uppercase (Acefour) has quickly emerged as a high-growth contender in India's expanding luggage industry. Backed by a well-integrated omnichannel strategy, the brand is eyeing a sharp scale-up—targeting INR2,500m by FY26 and INR5,000m in the years that follow. Its growth trajectory is powered by a balanced blend of digital and physical channels, allowing it to tap into evolving travel needs across varied consumer profiles while capitalizing on the shift toward branded, organized luggage solutions.

Product portfolio

Uppercase's product lineup spans more than 250 unique SKUs, covering categories such as backpacks, trolley bags, duffle bags, and shoulder bags. The brand's core strength lies in the hard luggage segment, which contributes the majority of its revenue. Currently producing around 30,000 units per month, Uppercase is preparing to ramp up its manufacturing capacity to 60,000–75,000 units monthly, in line with its aggressive growth plans.

Exhibit 128: Product portfolio



Source: Company, MOFSL

Customer segmentation

Uppercase focuses on consumers between the ages of 18 and 35, grouped into three distinct personas:

- **Savers**, who prioritize affordability and make budget-driven choices;
- **Seekers**, who aim to strike the right balance between cost and quality, and
- **YOLO Shoppers** who are adventurous, trend-savvy, and drawn to aspirational lifestyle products.

This segmentation reflects the evolving preferences of India's expanding middle class and their growing willingness to spend on branded travel gear.

Distribution channels

Uppercase maintains a well-diversified distribution model across both digital and physical channels:

- **Online (40%):** The brand reaches customers directly through its proprietary website and collaborates with major online marketplaces, including Flipkart, Amazon, and Myntra, to drive digital sales.

- **Offline (60%):** Its brick-and-mortar presence includes six company-owned retail stores and a widespread network of 2,000+ general trade partners operating across 650+ cities. In addition, Uppercase serves over 110 institutional clients through its B2B partnerships.

Retail expansion strategy

The brand has adopted a mall-centric strategy for its retail growth, capitalizing on the high visibility and consistent footfall these locations offer. Its latest store launches at Bengaluru's Lulu Mall and Mumbai's Phoenix Market City demonstrate this mall-first approach in action. Looking ahead, Uppercase plans to grow its physical footprint to 30–35 outlets by FY25, with a longer-term goal of reaching 100 stores by FY27. In parallel, it also intends to expand its total retail touchpoints to around 4,000 across various cities and channels.

Strategic vision

Uppercase envisions becoming a leading force in India's organized luggage sector by catering to evolving consumer needs with stylish, durable, and affordable products. The company aims to scale aggressively through a strong omnichannel presence, expanding its retail footprint and production capacity. Its strategy is anchored in targeting young, value-conscious shoppers and achieving operational sustainability with a breakeven goal set for FY27.

Operational and financial outlook

As part of its retail growth strategy, Uppercase is allocating approximately INR3m toward the setup of each new outlet. The company is working toward building a well-distributed presence across metropolitan hubs as well as smaller urban and semi-urban markets. With profitability expected by FY27, Uppercase is anchoring its expansion on cost optimization, operational scalability, and long-term business sustainability.

Consolidated income statement

	INR m		
Y/E March	FY22	FY23	FY24
Net Sales	0	107	622
Change (%)			483.8
Raw Materials	0	58	326
Gross Profit	0	49	296
Employee Cost	19	86	112
Other Expenses	24	184	392
Total Expenditure	43	328	830
% of Net Sales		307.6	133.5
EBITDA	-43	-221	-208
Margin (%)		-207.6	-33.5
Depreciation	0	1	2
EBIT	-43	-222	-210
Interest	0	0	1
Other Income	0	5	18
PBT Before EO Exp	-43	-217	-193
EO Items	0	0	0
PBT After EO Exp	-43	-217	-193
Tax	0	0	-17
Rate (%)	0.4	0.0	8.9
Reported PAT	-43	-217	-176
Change (%)		405.4	-19.2

mokobara

Mokobara

- Founded in 2020 by Sangeet Agrawal and Navin Parwal, Mokobara has rapidly emerged as a dynamic challenger in India's mid-premium luggage segment. The brand distinguishes itself by blending utility with modern aesthetics, targeting young, design-conscious travelers seeking stylish yet functional travel gear. Originating from the founders' firsthand frustration with uninspiring and low-quality options, Mokobara launched with a direct-to-consumer model emphasizing thoughtful, minimalist design crafted in collaboration with the London-based agency Morrama.
- Mokobara's rapid rise includes securing multiple funding rounds totaling over USD20m, reaching a valuation near INR7.0b by early 2024, and scaling to over 20 retail stores nationwide. Its distinctive branding, design-first product innovation, and engaging storytelling have positioned it as a potent competitor alongside legacy and new-age luggage players, resonating strongly with India's evolving travel market.

Exhibit 129: Product portfolio



Source: Company, MOFSL

Strategic vision

Mokobara aspires to be India's leading lifestyle luggage brand, uniting innovation, contemporary design, and everyday functionality to serve the needs of the style-conscious, modern traveler. Anchored in an omnichannel growth strategy and distinctive brand experiences, the company seeks to redefine travel by offering products that seamlessly balance fashion, utility, and durability. With a focus on sustainable, design-led expansion in both domestic and international markets, Mokobara aims to position itself at the convergence of travel, fashion, and lifestyle, creating a globally relevant Indian-origin brand.

Customer segmentation

Mokobara targets India's rising class of young, image-conscious consumers aged 25–40, who value a balance of design, functionality, and durability in their travel gear. Its core audience comprises modern professionals and frequent travelers seeking sleek, lightweight, and premium-quality luggage suited to both business and leisure needs. The brand also resonates with digitally native shoppers who expect seamless

online purchasing experiences, reflecting the lifestyle aspirations and spending power of millennials and Gen Z. Mokobara's positioning taps into the intersection of style, utility, and convenience, appealing to an audience that treats travel accessories as both functional tools and lifestyle statements.

Marketing and brand visibility

Mokobara has strategically enhanced its brand visibility through culturally relevant marketing initiatives and influential partnerships, resonating strongly with India's fashion-forward youth. Key highlights include:

- **Moko 6E Collaboration with IndiGo Airlines:** Mokobara partnered with IndiGo to launch a limited-edition premium luggage collection called "Moko 6E." This collection features suitcases in IndiGo's signature blue, made with durable German polycarbonate and equipped with smooth Japanese Hinomoto wheels. The collaboration offers each traveler benefits like 2 kg extra baggage allowance on IndiGo domestic flights for owners of these bags, valid for one year from purchase, and free luggage personalization. This tie-up leverages IndiGo's extensive customer base and travel culture, significantly boosting Mokobara's appeal among modern Indian jetsetters.
- **Bollywood Product Placements:** Mokobara products have been featured in Bollywood productions such as the web series *The Crew*, enhancing visibility in entertainment spaces and connecting with digitally native urban audiences who follow pop culture trends.
- **Celebrity Partnerships:** The brand's association with celebrities like Diljit Dosanjh during his "Dil-luminati" tour amplifies its reach within youth and millennial segments, aligning the brand with lifestyle and music culture that is deeply influential for experience-driven consumers.

These marketing efforts are thoughtfully designed to engage India's increasingly style-conscious and experience-oriented youth, blending travel functionality with aspirational lifestyle storytelling. Combining exclusive partnerships, pop culture integration, and influencer associations, Mokobara effectively positions itself as a modern, design-led lifestyle luggage brand for millennial and Gen Z travelers.

Omnichannel distribution and expansion

Originally a digitally native D2C brand, Mokobara has evolved into an omnichannel player blending strong online sales with an expanding offline presence. Alongside its website and leading e-commerce marketplaces, the brand now operates 20+ premium stores in metro hubs such as Bengaluru, Delhi, Mumbai, and Pune, with a target of 100+ by 2025.

Its physical stores function as immersive brand spaces, complementing digital channels to enhance customer engagement and visibility. Internationally, Mokobara has entered the UAE market and leveraged Amazon Global Selling to reach regions including the US and the Middle East, underscoring its ambition to become a globally recognized travel lifestyle brand.

Operational scale-up

Mokobara has scaled rapidly from its 2020 launch, growing from sales of just 200 units per month to over 35,000 units per month by 2024. This exponential rise reflects the brand's strong execution capabilities, agile supply chain management, and ability to capitalize on rising demand from India's style-conscious, premium-travel segment. The sharp growth trajectory highlights Mokobara's operational agility in responding to evolving consumer preferences while maintaining product quality, design innovation, and brand consistency across both digital and offline channels.

Financial growth

Mokobara's strong revenue growth has been driven by significant media investments and high-profile celebrity endorsements, building solid consumer trust and market traction. However, with this momentum heavily reliant on aggressive advertising and promotional (A&P) spending, the real test will be sustaining growth once marketing investments normalize. The brand's ability to leverage its equity and product appeal will determine its long-term sales trajectory.

Consolidated income statement

INR m

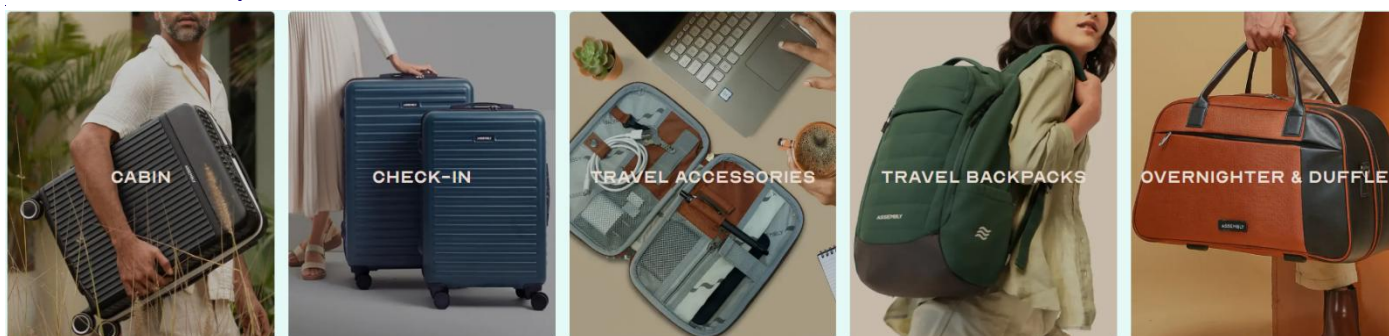
Y/E March	FY20	FY21	FY22	FY23	FY24
Net Sales	3	19	122	533	1,174
Change (%)		564.2	539.2	337.1	120.5
Raw Materials	2	12	69	280	573
Gross Profit	1	7	53	253	602
Employee Cost	2	6	11	49	130
Other Expenses	4	13	85	272	498
Total Expenditure	7	31	165	601	1,201
% of Net Sales	253.5	164.1	135.6	112.8	102.3
EBITDA	-4	-12	-43	-68	-27
Margin (%)	-153.5	-64.1	-35.6	-12.8	-2.3
Depreciation	0	0	0	1	4
EBIT	-4	-12	-44	-69	-31
Interest	0	0	2	17	27
Other Income	0	0	0	4	16
PBT Before EO Exp	-4	-12	-46	-82	-42
EO Items	0	0	0	0	0
PBT After EO Exp	-4	-12	-46	-82	-42
Tax	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0
Reported PAT	-4	-12	-46	-82	-42
Change (%)		170.6	285.9	78.6	-48.3

ASSEMBLY

Assembly (Dismantle)

- Founded by Mohit Garg and Aditya Khanna, Assembly is an emerging player in India's travel and lifestyle segment, targeting young, aspirational consumers aged 18–30. The brand differentiates itself through a minimalist design ethos and a value-driven product strategy, offering a tightly curated portfolio of around 10–11 SKUs.
- Leveraging the founders' family-run manufacturing infrastructure, Assembly maintains cost efficiency, quality control, and agility, enabling rapid scaling in a competitive and fast-evolving luggage market. This integrated operational model strengthens its ability to deliver stylish, functional, and affordable travel gear that resonates with India's design-aware, price-sensitive youth segment.

Exhibit 130: Product portfolio



Source: Company, MOFSL

Strategic vision

Assembly aims to establish itself as a leading lifestyle travel brand for India's young, digitally native consumers, delivering design-forward, high-quality products that combine affordability with aspirational appeal. Built on lean operations, a tightly curated product range, and a tech-enabled omnichannel distribution model, the brand seeks to drive growth through strong brand-building, strategic B2B partnerships, and scalable manufacturing infrastructure. Agile and consumer-focused, Assembly's vision is to secure a dominant position in the organized travel gear market while staying responsive to shifting trends and evolving consumer behaviors.

Customer segmentation

Assembly targets digitally native, design-conscious consumers aged 18–30 who seek stylish yet affordable travel gear. This core segment includes urban youth and early professionals drawn to minimalist aesthetics, functional design, and value-driven pricing. Beyond the consumer market, Assembly also serves corporate clients purchasing travel accessories in bulk for employee use, events, and promotional gifting.

By leveraging direct-to-consumer and leading marketplace platforms, the brand appeals to convenience-focused shoppers who prioritize seamless purchasing experiences. This dual focus on trend-aware individual buyers and institutional customers positions Assembly to capitalize on evolving preferences in India's organized travel and lifestyle market.

Revenue channels

Assembly operates through a diversified revenue mix that balances direct consumer engagement with broad marketplace reach and stable B2B income streams. Approximately 40% of sales are generated via the brand's own D2C website, targeting young, internet-first consumers with a seamless online shopping experience. A further 50% of revenue comes from third-party e-commerce marketplaces such as *Amazon* and *Flipkart*, enabling nationwide visibility and scale. The remaining 10% is derived from institutional clients, with Assembly supplying customized travel gear for bulk corporate and promotional orders, ensuring a consistent B2B revenue base.

This channel strategy enables Assembly to maximize reach, diversify risk, and maintain steady cash flow while building brand equity across both consumer and corporate segments.

Financial growth

Though starting from a smaller base, Assembly has delivered strong revenue momentum, largely driven by substantial media investments. However, with the bulk of its sales coming from online and e-commerce channels, it is too early to declare long-term success. The brand's ability to expand in offline channels and capitalize on its product appeal will be key to sustaining growth.

Consolidated income statement

	INR m		
Y/E March	FY22	FY23	FY24
Net Sales	6	101	184
Change (%)		1464.6	82.9
Raw Materials	4	52	87
Gross Profit	2	49	97
Employee Cost	0	13	30
Other Expenses	3	44	100
Total Expenditure	7	108	216
% of Net Sales	111.0	107.5	117.3
EBITDA	-1	-8	-32
Margin (%)		-7.5	-17.3
Depreciation	0	0	0
EBIT	-1	-8	-32
Interest	0	0	0
Other Income	0	1	0
PBT Before EO Exp	-1	-7	-32
EO Items	0	0	0
PBT After EO Exp	-1	-7	-32
Tax	0	-2	-7
Rate (%)	22.2	24.4	20.8
Reported PAT	-1	-5	-25
Change (%)		853.2	376.5

Exhibit 131: A quick comparison between the organised players

Y/E March'24	VIP	Safari	Samsonite	Wildcraft	Nasher Miles	Acefour (Uppercase)	Mokobara	Dismantle	Priority Bags	Hidesign
Net Sales	22,450	15,504	22,988	5,402	1,652	622	1,174	184	2,506	1,869
Two-year CAGR	31.9	48.3	45.9	14.2	24.0	0.0	210.4	434.9	32.6	27.0
Gross Profit	11,813	7,322	10,870	2,863	499	296	602	97	1,096	1,525
Margin (%)	52.6	47.2	47.3	53.0	30.2	47.5	51.2	52.9	43.7	81.6
Total Expenditure	20,514	12,729	19,307	5,133	1,691	830	1,201	216	2,295	1,665
% of Net Sales	91.4	82.1	84.0	95.0	102.4	133.5	102.3	117.3	91.6	89.1
EBITDA	1,936	2,775	3,681	269	-39	-208	-27	-32	211	204
Margin (%)	8.6	17.9	16.0	5.0	-2.4	-33.5	-2.3	-17.3	8.4	10.9
Reported PAT	543	1,758	2,132	-422	-63	-176	-42	-25	57	162
Margin (%)	2.4	11.3	9.3	-7.8	-3.8	-28.2	-3.6	-13.6	2.3	8.7

Source: Company, MOFSL

Exhibit 132: Comparison of the discounts available through online resellers

Brand	Backpack		Single-piece trolley bag		Set of 3 (Cabin + Medium + Large)	
	MRP	Discount	MRP	Discount	MRP	Discount
Mass Brands						
Aristocrat	INR2,100	75%	INR7,999	75%	INR24,597	77%
Wildcraft	INR3,199	63%	INR7,498	73%	INR24,994	70%
Kamilaint	INR2,798	37%	INR12,485	83%	INR33,700	85%
American Tourister	INR4,200	57%	INR10,000	60%	INR25,800	65%
Nasher Miles	INR3,499	70%	INR16,995	83%	INR44,985	83%
HRX	INR3,499	83%	INR13,999	82%	INR34,999	85%
Economy Brand						
VIP	INR2,700	67%	INR12,600	78%	INR31,175	81%
Skybag	INR2,100	74%	INR10,000	61%	INR19,998	64%
Safari Select	INR4,443	10%	INR12,854	40%	INR37,500	27%
Priority Bags	INR1,299	36%	INR9,999	79%	NA	NA
Premium Brands						
Samsonite	INR11,500	0%	INR18,600	20%	INR94,980	0%
Hidesign	INR9,995	32%	INR27,995	0%	NA	NA
Urban Jungle	INR10,748	73%	INR9,499	21%	INR23,595	38%
Mokobara	INR9,999	42%	INR11,999	21%	INR34,999	59%
Uppercase	INR3,800	64%	INR8,400	44%	INR19,000	40%
Assembly	INR4,349	36%	INR8,099	20%	INR26,199	35%

Source: Flipkart, MOFSL

Exhibit 133: Private players within the industry

Brand	Samsonite	Wildcraft	Nasher Miles	Mokobora	Uppercase	Assembly
Founded	1910 (Global), India arm active since 1990s	1988	2017	2020	2021	2019
Positioning	Premium, durable, global legacy	Functional, mass premium outdoor gear	Stylish, affordable, mid-premium	Design-led, aspirational, mid-premium	Value-driven, aspirational challenger brand	Affordable lifestyle brand for youth
Key brands	Samsonite, American Tourister, TUMI, Gregory	Wildcraft	Nasher Miles	Mokobara	Uppercase	Assembly
Target Segment	Affluent travelers, urban youth (via AT), B2B	Trekkers, commuters, students, institutions	Millennials, families, B2B	Millennials, Gen Z, tech-savvy travelers	Age 18–35: Savers, Seekers, YOLO buyers	Age 18–30, aspirational & B2B clients
Product Range	Luggage, backpacks, laptop bags, accessories	Luggage, rucksacks, tents, apparel, footwear	Luggage, backpacks, accessories	Luggage, backpacks, organizers	Luggage, backpacks, duffel & shoulder bags	Curated range (10–11 SKUs), travel gear
Manufacturing Strategy	Imports from China, Vietnam, Hungary	Largely domestic	Gujarat facility (75% localized)	Contract manufacturing + R&D	In-house + scale-up plans	90% outsourced to the promoter's family unit
Monthly Capacity	Not disclosed	Not disclosed	~50,000 units	~35,000 units	30,000 (targeting 75,000)	Small (lean model)
Retail Strategy	300+ EBOs, airports, malls, strong MBO presence	~200 EBOs, ~7,500 touchpoints	Online first, scaling offline	Online-led, 20+ stores	6 EBOs, 2,076 GT stores, 653 cities	Online (90%), scaling offline & B2B
Channel Mix (Online/Offline)	Post-Covid: Balanced mix	Mostly offline	Targeting 68% online / 32% offline by FY28	Started online, now omnichannel	40% online / 60% offline	40% D2C / 50% marketplace / 10% B2B
Strategy Focus	Omnichannel, Tier-2 expansion via AT, innovation	Build a “head-to-toe” performance brand	Domestic mfg., expand EBOs, millennial brand	Premium design, omnichannel + global foray	Scale GT + malls, youthful value brand	Lean ops, fast scale via youth + B2B blend

Source: Company, MOFSL

Exhibit 134: Last funding round

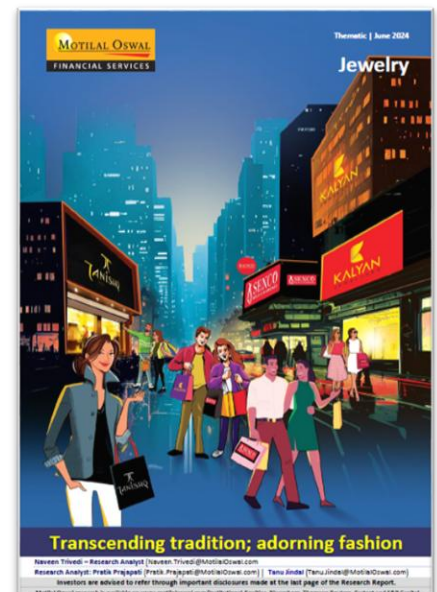
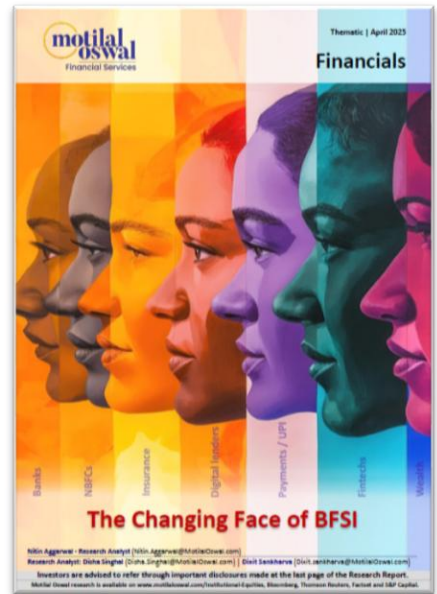
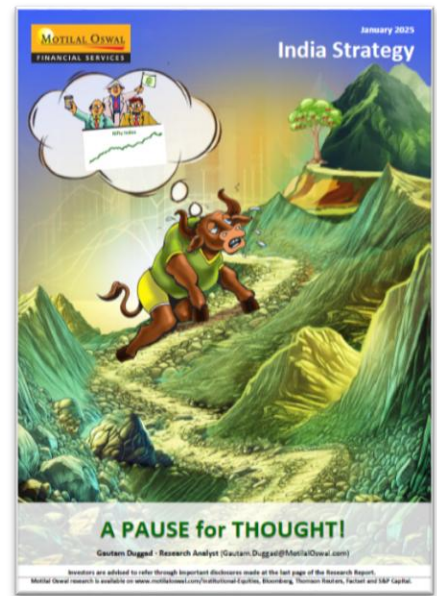
Company	Year	Round	Deal Size	Stake	Post Money Valuation	EV/ Rev	Investors & Facilitators
Uppercase	26-08-2024	Series B	INR613.7m	13.20%	INR4.6b	7.34	❖ Accel India
Assembly	13-02-2024	Pre Series A2	INR153.8m	18.80%	INR819.1m	8.02	❖ Prath Ventures Anicut Angel Fund We Founder Circle Angel List Blume Ventures Value Angels Investment Trust Real Time Accelerator Fund Shrikishan Poddar Rannvijay Singh Singha Pritesh Suryakant Thakkar Diapad Hygiene Private Limited Vishal Gupta Anushul Rustaggi Aamara Ventures LLP Prime Holdings Advisory LLP Deven Dharamdasani Smile Group Akshay Bhagchandani Kapil Khandelwal Manish Vij Keshav Agarwal
Assembly	20-12-2023	Pre Series A1	INR23.9m	3.60%	INR665.4m	6.50	❖ Nipun Goel Vikram Beri Manik Khanna Siddharth Bhavnani Rab Rakha Ventures LLP Cedar Residences Private Limited Pulkit Bachhawat Bharath Reddy Solipuram Vandana Talwar Aman Vig Nitin Mathur Simraan Teckchanadani Ashwani Kumar Mehta Nadeesh Ramachandran Vineet Jawa
Nasher Miles	26-07-2024	Funding	INR334.9m	13.30%	INR2.5b	1.51	❖ Narendra Rathi Mohit Goyal Singularity AMC Sulabh Arya

Source: Company, MOFSL

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NOTES

RECENT STRATEGY/THEMATIC REPORTS



VIP Industries

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Investment Rating	Expected return (over 12-month)
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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