



PACKED FOR THE LONG HAUL

Prerna Jhunjhunwala

prerna.Jhunjhunwala@elaracapital.com
+91 22 6164 8519

Nikhil Kamble

nikhil.kamble@elaracapital.com

Dheeraj Thakur

dheeraj.thakur@elaracapital.com

Luggage

8 December 2025

Elara Securities (India) Private Limited

Image source: Google

Packed for the long haul

8 December 2025

The Indian luggage industry is entering a sustained recovery cycle following demand disruption and margin pressure, driven by aggressive discounting and rising competition – Thus, we remain constructive on the space. With D2C players constrained by offline reach and high acquisition costs, established leaders – Safari and VIP Industries – are well-placed to benefit from domestic capacity expansion, improved product mix, and tighter cost controls. Functionality-led demand is fueling both affordable and premium segments. We **initiate coverage on Safari Industries with a BUY** (TP INR 3,111) as it is a key beneficiary of the structural upcycle, driven by a scale-up in domestic capacity and market-share gains, and on **VIP Industries with a BUY** (TP INR 430) as a turnaround opportunity, backed by brand reinvention with re-rating potential.

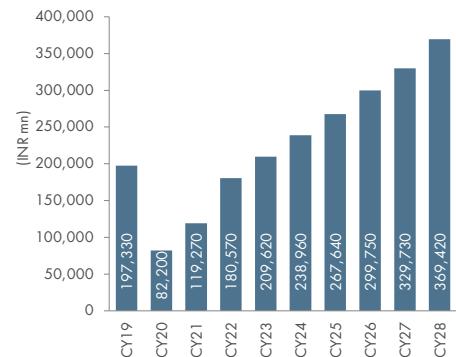
Tailwinds intact for the industry: We believe the Indian luggage sector is poised for a strong upcycle. Per VIP Presentation, the space is expected to compound at ~12% CAGR in CY23-28 to reach INR 360bn, driven by rising mobility, recovery in tourism, and education- and work-led migration. Also, branded penetration is expected to rise to ~60% by CY27 (from ~54% in CY24), supported by consumer preference for quality and durability. These structural tailwinds – alongside premiumization in hard luggage and share gains from unorganized players – should sustain healthy growth for established brands.

Consumer trends – Functionality-led demand reshaping behavior: Growth in value-led segment is outpacing the premium category as consumers prioritize functional, durable, design-led products over pure brand premium. Affordable and mid-priced brands are offering functional performance at competitive price points, strengthening presence. The rise of digital-first brands has accelerated design innovation and responsiveness. Their ability to iterate quickly and introduce feature-rich products have expanded consumer choice and reinforced the industry's tilt toward functional utility over brand positioning. As this mid-premium gap is addressed, we expect steady premiumization, driven by scaled incumbents with brand strength and supply-chain edge.

Steadily moving toward perfect competition: The Indian luggage market, historically concentrated among VIP, Samsonite, and Safari, is shifting from a three-player oligopoly to a highly competitive arena, marked by low entry barriers and rising fragmentation. Digital-native brands, private labels, and D2C entrants have expanded aggressively, eroding the dominance of incumbents through sharper pricing, faster design cycles, and online-led reach. As manufacturing efficiencies erode the quality gap and brand loyalty in mass and mid-premium segments, rising price sensitivity is pushing the industry closer to a perfect-competition environment, with limited pricing power for any single player.

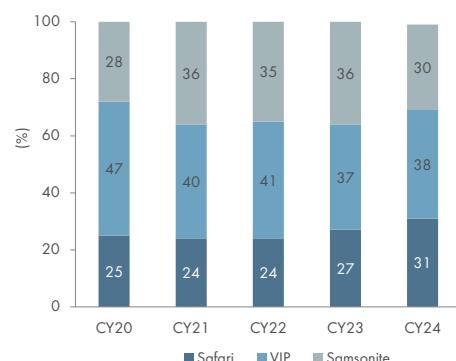
Safari positioned for leadership; VIP in repair mode: We prefer Safari, led by clearer earnings visibility from stronger execution, rapid market-share gains in hard-luggage, backward-integrated capacity, and disciplined pricing that reinforce margin stability. For FY25-28E, we expect revenue, EBITDA and PAT CAGRs of 16.2%, 23.1% and 24.8%, respectively. VIP is in repair and stabilization mode. While Multiples-led ownership transition brings in sharper governance and renewed focus, the recovery hinges on consistent execution, margin restoration, and regaining market share. Amid constrained near-term upside, VIP's turnaround trajectory offers a rerating potential, resulting in a favourable risk-reward. We initiate on VIP with a BUY and a TP of INR 430, on 26x FY28E EV/EBITDA. Key risks are intensifying competition, a sharp rise in input price and failure in identifying change in consumer demand.

Luggage industry – Market size



Source: VIP Presentation, Elara Securities Research

Safari gains market share among top three players



Source: Company, Elara Securities Research

Prerna Jhunjhunwala

Consumer Discretionary, Footwear, Textile
+91 22 6164 8519
prerna.jhunjhunwala@elaracapital.com



Associates

Nikhil Kamble
nikhil.kamble@elaracapital.com

Dheeraj Thakur
dheeraj.thakur@elaracapital.com

Elara Luggage universe – Coverage matrix

Company	Ticker	Rating	Mcap	CMP	TP	Upside	P/E (x)				EV/EBITDA (x)				ROE (%)			
			(USD mn)	(INR)	(INR)	(%)	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Safari Industries	SII IN	BUY	1,301	2,379	3,111	31	81.5	61.2	50.1	41.7	51.4	38.7	32.8	27.6	16.1	18.2	18.8	18.9
VIP Industries	VIP IN	BUY	553	345	430	25	NM	NM	NM	78.9	68.5	NM	37.0	22.9	(11.8)	(51.7)	(4.3)	16.5

Note: Pricing as on 05 December 2025; Source: Company, Elara Securities Estimate

Table of Content

Story in charts	3
Packed for the long haul	4

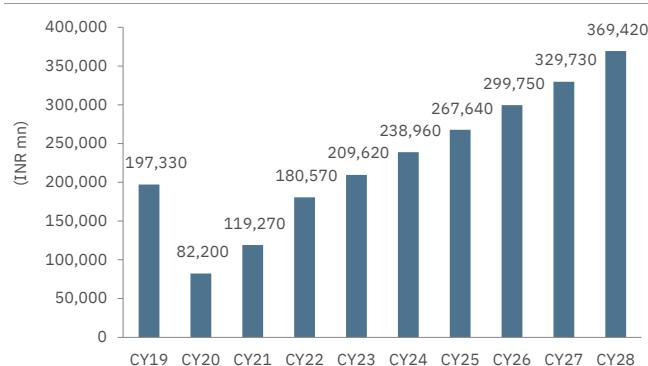
Company Section

Safari Industries - Mass+Class: Power that lasts	
(SII IN, Buy, TP: INR 3,111, CMP: INR 2,379, Upside: 31%)	23

VIP Industries - VIP upgrade – Checked-in for growth	
(VIP IN, Buy, TP: INR 430, CMP: INR 345, Upside: 25%)	43

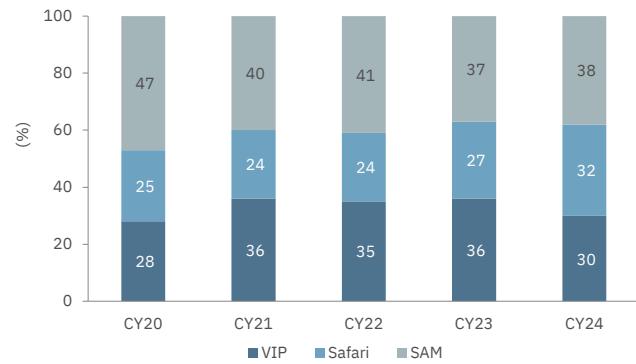
Story in charts

Exhibit 1: Luggage industry – Market size set to spike



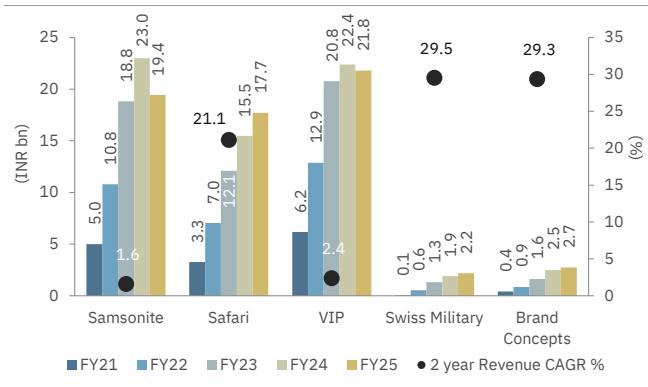
Source: VIP Presentation, Elara Securities Research

Exhibit 3: Safari gains market share among top three players



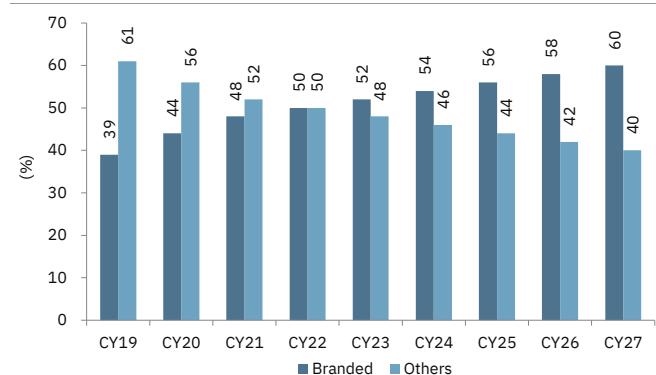
Source: Company, Elara Securities Research

Exhibit 5: Despite rising competition, Safari maintained 21.1% CAGR in FY23-25



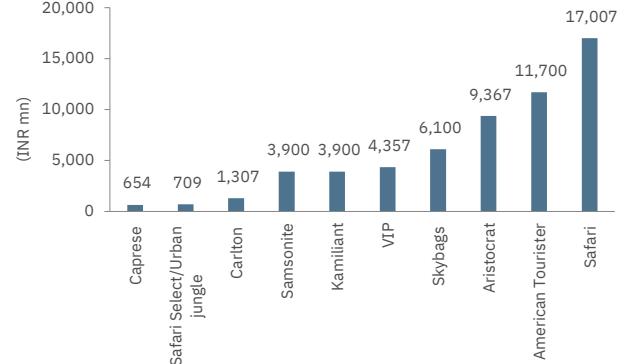
Source: Company, Elara Securities Research

Exhibit 2: Branded segment to reach 60% salience in CY27



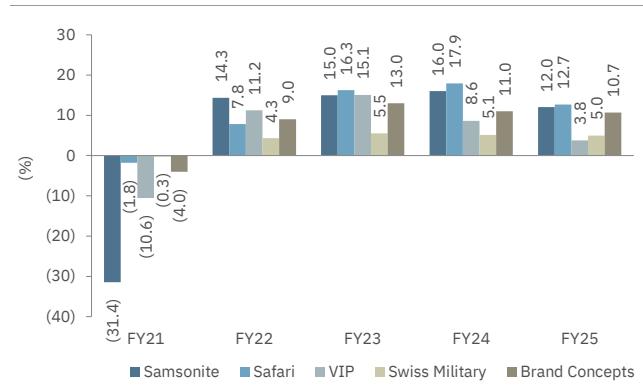
Source: VIP Presentation, Elara Securities Research

Exhibit 4: Safari – Biggest brand in the luggage industry by sales



Source: Company, Elara Securities Research

Exhibit 6: Stable raw material prices offset by higher branding spend, marring EBITDA margin in FY25



Source: Company, Elara Securities Research

Packed for the long haul

- ▶ Tailwinds intact for the industry
- ▶ Consumer trends – Functionality-led demand reshaping behavior
- ▶ Steadily moving toward perfect competition

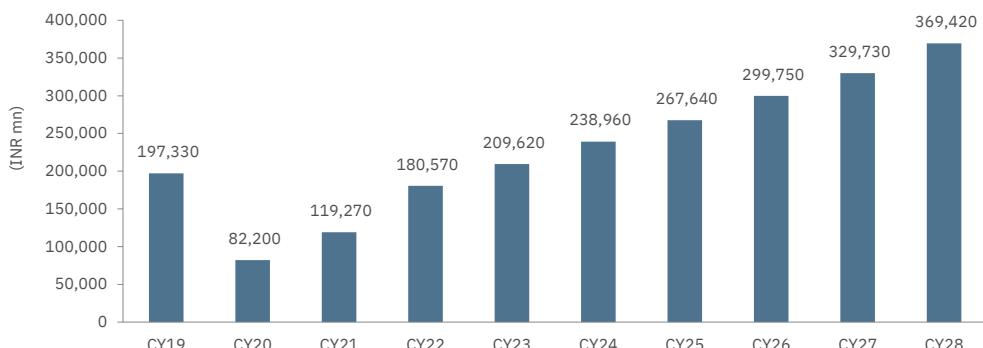
Tailwinds intact for the industry

Indian luggage industry entering a structural growth phase

Per VIP presentation, the Indian luggage industry is expected to reach INR 360bn size by CY28, compounding at a 12% CAGR through CY23-28. The industry experienced its biggest downfall due to pandemic in CY20, when its market size reduced to INR 82.2bn. It recovered in two years after the decline, with revenge travel taking center stage, driving demand for travel products. Further expansion in the industry will be driven by rising preference for branded products and evolving consumer lifestyles. The industry stands at the cusp of significant expansion due to increasing urbanization, growing disposable incomes, and the proliferation of travel and tourism catalyzing demand across both urban and semi-urban markets.

Moreover, the shift from unbranded to branded luggage, underpinned by heightened consumer awareness of quality and durability, has strengthened the organized sector's foothold. Branded players, commanding a market share of 54% for CY24, are expected to outpace the overall industry growth, supported by product diversification, innovation, and the rising prominence of e-commerce channels. This underscores the long-term growth potential of the luggage industry, with ample opportunities for both volume and value expansion.

Exhibit 7: Luggage – Market size set to spike



Source: VIP Presentation, Elara Securities Research

Growth drivers aplenty

#1: Travel-led tailwinds driving growth

The Indian luggage industry is well-set for sustained growth, underpinned by a significant uptick in domestic and international travel that has increased drastically after Covid pandemic. Air passenger traffic in India rebounded strongly post-pandemic – 142mn travellers travelled within India in FY20 which reached 166mn in FY25. The industry experienced a 13.4% CAGR from FY16 to FY20. Growth rate has reduced to mere 3.2% CAGR in FY20-25 amid weaker performance in FY21 and FY22 and is likely to catch up going forward. International passenger travel compounded at 8.3% CAGR in FY20-25, driving demand for premium and stylish luggage products.

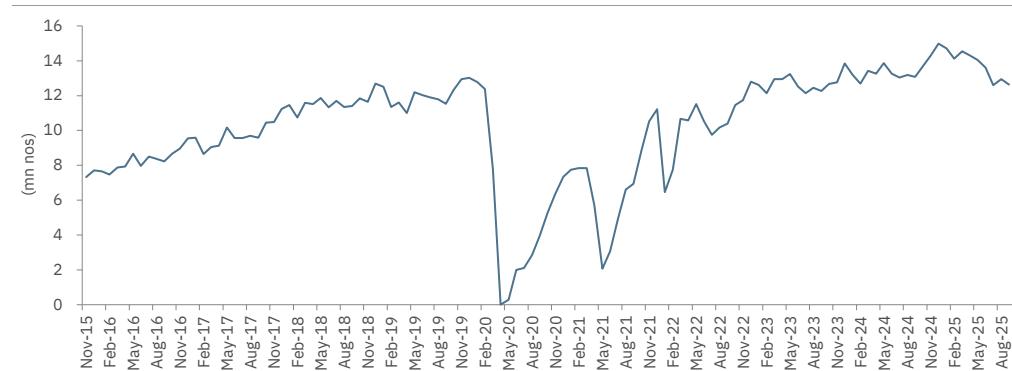
Additionally, rising disposable incomes, an increase in regional tourism, revival of train travel and growing penetration of budget airlines have democratized travel, broadening the addressable market for luggage. Furthermore, the evolution of luggage from a functional necessity to a lifestyle accessory has driven higher adoption of branded products, particularly in urban markets. These structural shifts, combined with the rise of premiumization and higher travel frequencies, position the luggage industry to capitalize on the expanding consumer base, making it a compelling growth story.

Weekend trips and leisure travel: Shorter, more frequent weekend getaways are becoming the norm among urban consumers, further driving the need for compact and versatile luggage solutions.

Multiple trips per individual: The evolving lifestyle of Indian consumers, characterized by multiple trips annually for leisure or work, has led to faster replacement cycles, creating recurring demand and greater penetration of luggage products into households.

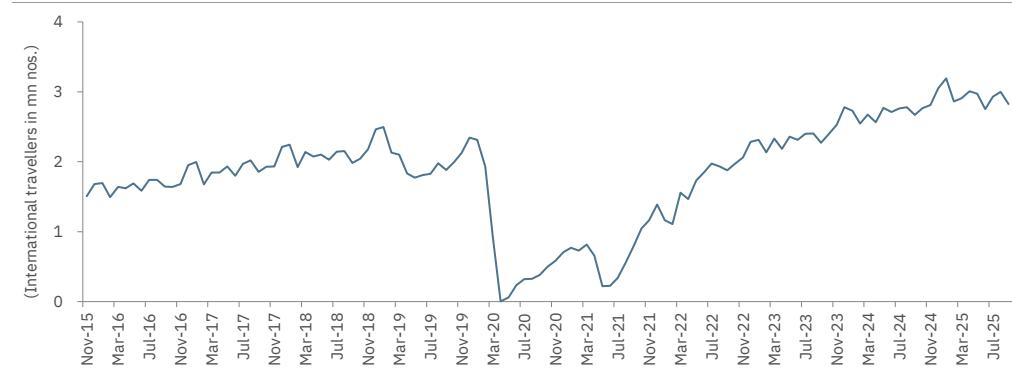
Tourism initiatives: Government initiatives to boost tourism, such as regional airport development, "Dekho Apna Desh" campaigns, and enhanced rail connectivity, are supporting travel-related consumption, including luggage demand.

Exhibit 8: Rise in domestic passengers, key catalyst for the luggage industry



Source: Director General of Civil Aviation, Elara Securities Research

Exhibit 9: International travel accelerated after Covid



Source: Director General of Civil Aviation, Elara Securities Research

Corporate travel driving functional luggage: The return to offices and resurgence of business travel post-pandemic have led to a surge in demand for professional luggage solutions. Employees traveling for meetings, conferences, and corporate events increasingly seek functional yet stylish luggage, such as laptop bags, compact trolleys, and backpacks. With hybrid work models stabilizing, the need for portable, office-appropriate bags has intensified. This segment, marked by preference for branded products, offers significant opportunities to innovate and drive premiumisation for organised players.

Exhibit 10: Demand for stylish luggage, such as laptop bags and compact trolleys up



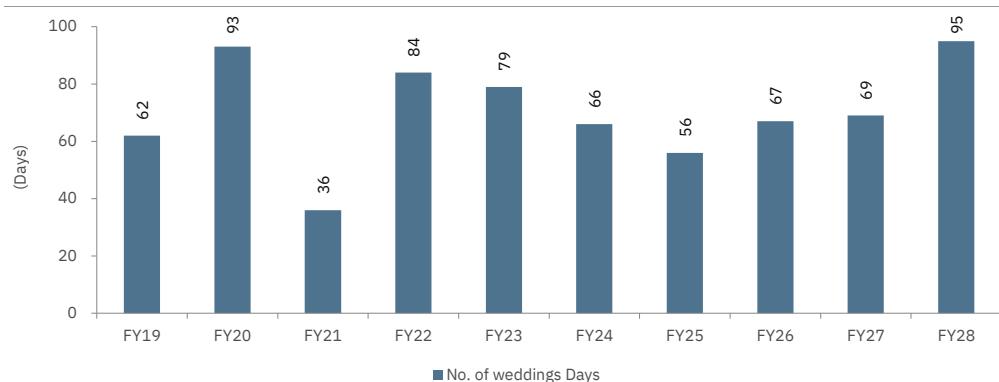
Source: Nasher Miles, Mokobara

#2: Weddings – A cultural catalyst

Weddings in India represent a significant consumption occasion, deeply rooted in cultural traditions. Bridal trousseaus and family gifting support sales, particularly for premium luggage. The seasonality of weddings ensures cyclical yet recurring demand, offering a predictable growth avenue for luggage manufacturers. Usually, weddings contribute to one-fourth of demand for the luggage sector.

A significant trend is the growing preference for destination weddings. Many couples are opting for unique, picturesque venues, blending the wedding experience with a vacation for themselves and their guests and leading to increased travels by family members. Destination weddings, an increasingly popular trend, require extensive travel, leading to higher demand for luggage.

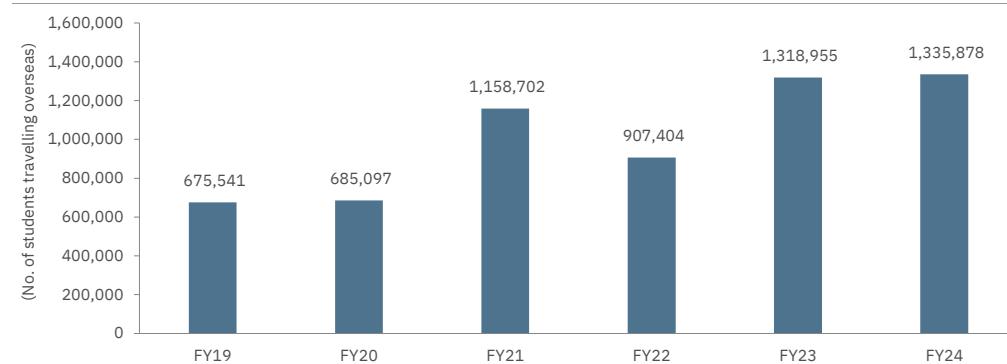
As per Hindu wedding calendar (*drik panchang*), there will be at least 68 wedding days in FY26, up by 20% YoY, while FY28 is expected to have the highest number of wedding days at 95. An increasing number of wedding days over FY26-28 provides visibility of improving demand in the wedding category.

Exhibit 11: Increasing number of wedding days in FY26-28

Source: Drik Panchang, Elara Securities Research

#3: Education – Steady demand engine

Educational institutions drive demand for backpacks, duffle bags, and travel luggage. Hostel stays, school picnics, and university admissions contribute to the steady cycle of replacement and new purchases. With rising disposable incomes, parents are increasingly opting for branded, durable, and ergonomic options for their children, ensuring growth in the mid-premium segment. The student population, a large and consistent market, provides a stable revenue stream for companies catering to this segment. A growing trend among students traveling both domestically and internationally for higher education is becoming increasingly evident. In 2024, ~1.3mn students have been projected to pursue education abroad, reflecting a 14.6% CAGR in 2019-2025. This rise highlights the expanding aspirations of Indian students and the increasing demand for travel-related products, including luggage, to cater to their needs for extended stays and frequent relocations.

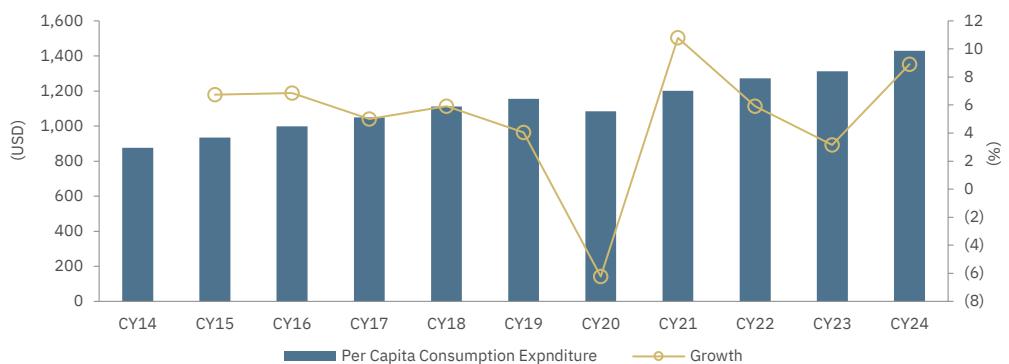
Exhibit 12: Luggage brands adapt to the travel needs of students

Source: KC Overseas Education, Elara Securities Research

#4: Rising consumption expenditure fuelling demand for branded luggage

India's per capita consumption expenditure has compounded at a 5% CAGR through CY14-24, and has steadily grown at 6%, barring pandemic years, enabling increased wallet balance for people to spend on consumption. This high growth in consumption expenditure promotes multiple travels, leading to increasing market size. Additionally, urban consumers are increasingly preferring organized players for their superior quality, warranty benefits, and design innovation. At the same time, semi-urban and rural regions are emerging as key growth frontiers, fueled by increasing exposure to media and e-commerce platforms. Lower strata regions (semi urban and rural) are witnessing growing demand, particularly in the value and economy segments, as aspirations and spending capacity rise alongside improved access to branded products.

Exhibit 13: Per capita consumption expenditure rising

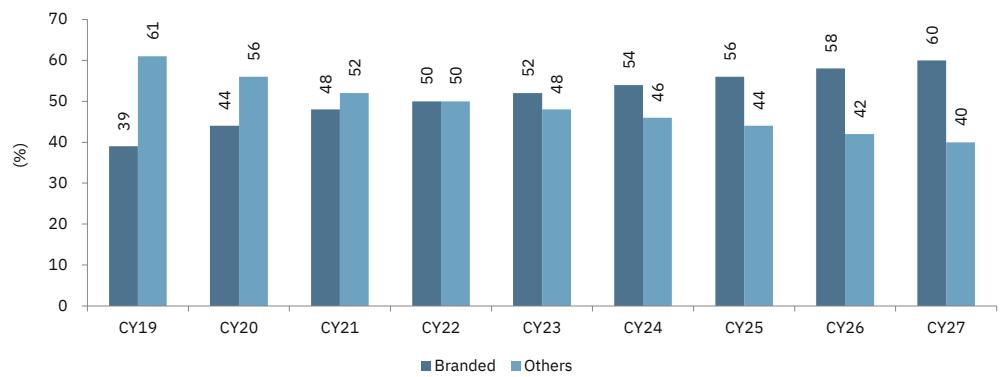


Source: World Bank, Elara Securities Research

#5: Unorganized player's loss = Organized player's gain

The Indian luggage market is undergoing a shift from unbranded to branded products, driven by rising consumer awareness and increasing disposable incomes. Organized players such as VIP Industries, Safari Industries, Samsonite and other new age players are benefiting from this trend, as branded luggage offers superior quality, warranty, and design innovation. With consumers prioritizing durability and style, particularly in urban markets, the demand for branded products is growing. This trend is expected to continue, supported by infrastructure growth, greater consumer confidence, and a more prominent presence of organized retail players.

Exhibit 14: Branded segment to reach 60% salience in CY27



Source: VIP Presentation, Elara Securities Research

#6: Accelerating premiumization – Strategic shift in India's luggage market

India's luggage industry is transforming, with consumers increasingly gravitating toward premium offerings, reflecting evolving preferences for quality and design. Most of the D2C brands such as *Nasher Miles, Mokobara, Assembly* among others gaining prominence cater to the premium and mid-premium segment as they tap the aspirations of urban and affluent buyers. Entry-level offerings remain critical as organized players capture the evolving demand landscape from the unorganized players. Also, the annual addition of 12mn individuals to the working-age group, dominated by millennials and Gen Z, underscores a growing consumer base for premium and organized luggage products.

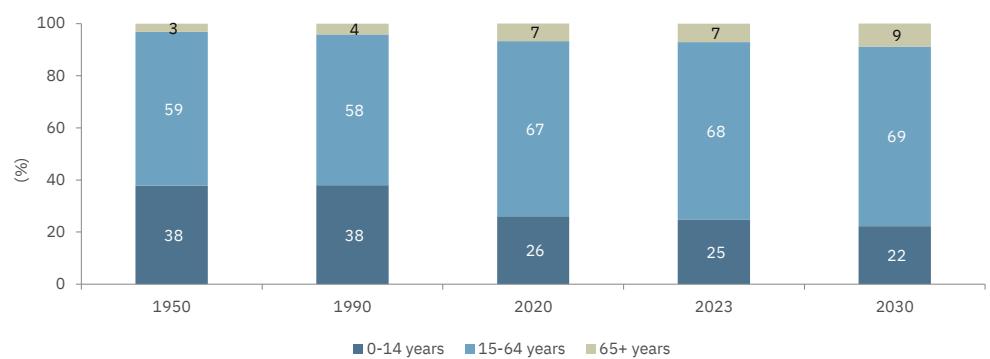
Exhibit 15: Premiumization and entry level, key growth segments

Segment	Price range (INR)	Market share (%)	Brands
Premium	5,000+	5	Mokobara, Samsonite, Carlton, Vistorinox, Tommy Hilfiger
Mid-Premium	3,000-5,000	37	Skybags, VIP, American Tourister, Nasher Miles, Assembly, Safari Select, Urban Jungle, Swiss Military
Entry	1,700-3,000	31	Safari, Kamlaint, Aristocrat
Unorganized	<1,700	27	Unbranded or semi-branded regional local players

Source: VIP, Elara Securities Research

#7: Demographic dividend boosting luggage demand

India's youthful demographic, with a substantial share of its population in the working age group, presents a lucrative opportunity for the luggage industry as this population generates consistent demand. This working-age segment, fuelled by rising disposable incomes and increased mobility for work, education, and leisure, is driving demand for both branded and affordable luggage solutions. The population split of ~50-50% between male and female underscores the potential for consistent growth, with urban and semi-urban markets particularly poised to benefit from this demographic advantage.

Exhibit 16: Growth in 'working-age' cohort

Source: ESCAP, Elara Securities Research

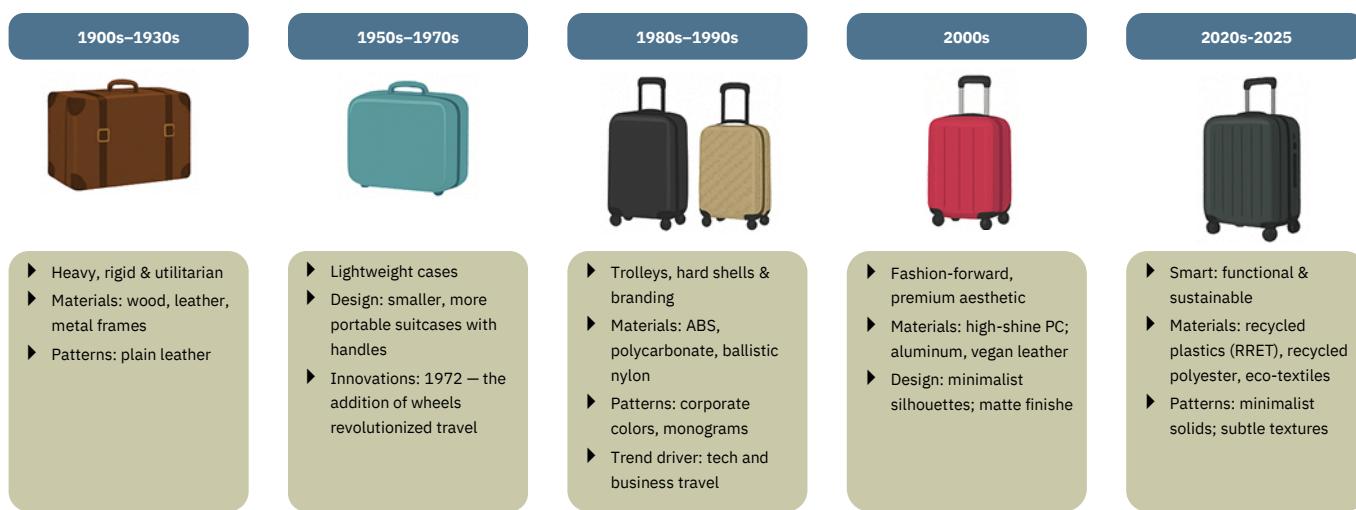
Consumer trends – Functionality-led demand reshaping behavior

The luggage industry has transformed significantly from its early days of heavy wooden trunks and basic leather suitcases to sophisticated blend of style, technology, and convenience today. Consumer preferences have steadily evolved: the 1970s-1990s saw a strong preference for **soft luggage**, driven by affordability, flexibility, and practicality as air travel became more accessible. With innovations such as wheels, nylon fabrics, and expandable compartments, value-oriented products dominated the market. However, from mid-2000s, advances in polycarbonate and lightweight hard-shell material led to a resurgence of **hard luggage**, which appealed to travellers seeking durability and a modern, polished aesthetic.

As global travel increased and social media shaped visual identity, luggage shifted from a functional necessity to a **style accessory**, sparking demand for bold colors, branded patterns, and cleaner silhouettes. In the past decade, consumer expectations have further expanded to include **premiumisation** – minimalist luxury looks, matte finishes, aluminium frames, and high-quality internal organisation. While value products continue to appeal to mass consumers seeking affordability and practicality, there has been a marked rise in demand for premium luggage, driven by higher disposable incomes, aspirational purchasing, and a growing desire for long-lasting, aesthetically refined products.

Brands today compete on more than durability: smart features such as USB charging, digital locks, and GPS tracking, along with sustainable material such as RPET fabrics and recycled polycarbonate, are becoming the standard across mid and premium segments. This evolution reflects a clear shift from durability and price-driven buying toward a balance of **value, lifestyle expression, technology, and premium design**, reshaping the luggage industry into a dynamic, trend-sensitive category. Consumers, particularly in urban and semi-urban areas, are increasingly inclined toward premium luggage. This trend has created a significant opportunity for brands to expand their offerings into stylish, lightweight, and durable luggage, catering to aspirational consumers.

Exhibit 17: Changing luggage preferences over years



Source: Elara Securities Research

Value segment expanding at the cost of the unorganized market

Historically, the Indian luggage market was divided into organized (dominated by VIP Industries, Samsonite, and Safari) and unorganized players, which catered to price-sensitive consumers with low-cost offerings. However, the value segment – comprising brands that offer affordable yet quality-conscious luggage – has been rapidly expanding, fueled by several key trends:

Brand awareness and aspirational shift: Consumers, particularly in tier 2 and tier 3 cities, are increasingly opting for branded products over unbranded alternatives due to improved affordability and rising disposable incomes.

e-commerce penetration: Online platforms such as Amazon, Flipkart, and Myntra have enabled smaller, value-focused brands to reach a larger customer base, eroding the stronghold of the unorganized sector.

Competitive pricing and discounts: Players in the value segment, including Aristocrat, Safari, Skybags, and Wildcraft, have aggressively priced their products, offering a compelling alternative to the unorganized market. The increased import duties (~28-35% post Covid) on Chinese luggage products have boosted local manufacturing, allowing value brands to expand production and compete effectively.

Premium segment facing headwinds

While the value segment is witnessing strong traction, the premium segment – including brands such as *Samsonite*, *American Tourister*, and *VIP*'s high-end range – is experiencing challenges due to multiple factors:

Economic uncertainty and cutbacks in consumer spending: In the post-pandemic era, discretionary spending patterns have shifted, leading to a slowdown in demand for premium products, including luggage. Consumers are increasingly opting for mid-range alternatives rather than investing in expensive luggage.

Intensifying competition from global brands: Premium players are facing heightened competition from global entrants and luxury brands expanding their presence in India. Brands such as *Tumi*, *Delsey*, and *RIMOWA* are targeting affluent consumers, intensifying the pressure on existing players.

Erosion of pricing power and heavy discounting: The rise of e-commerce has increased price transparency, triggering heavy discounting and eroding margins in the premium segment. As marketplaces push deep promotions, brands such as *Samsonite*, *American Tourister*, and *VIP* are losing pricing power, with high-end SKUs increasingly forced to compete at mid-market price points.

Shift in travel trends: While business travel and luxury tourism are recovering, the demand for premium luggage has not rebounded as strongly as expected. Many consumers are prioritizing functionality over brand value, opting for affordable yet durable luggage.

The Indian luggage sector is at an inflection point, with value-led growth outpacing a sluggish premium category as consumers prioritize functional, durable, design-led products over pure brand premium. In this environment, *VIP* and *Safari* are best positioned to capture incremental share. We believe D2C players will struggle to achieve durable profitability due to high acquisition costs and limited scale, and the absence of strong mid-premium choices continues to restrict the industry's natural uptrading. As this mid-premium gap is addressed, we expect steady premiumization driven by scaled incumbents with brand strength and supply-chain advantage.

Steadily moving towards perfect competition

The Indian luggage market, which was historically dominated by three major players – VIP Industries, Samsonite, and Safari – has witnessed a structural shift in its competitive landscape. These three brands collectively commanded a significant share of the organized luggage industry, benefiting from strong brand recall, distribution networks, and economies of scale. However, in recent years, the market dynamics have evolved, leading to increased competition and fragmentation. The Indian luggage market is gradually transitioning from an oligopolistic structure to a more competitive environment characterized by low entry barriers, a growing number of players, increased price sensitivity, and high product availability. While VIP, Samsonite, and Safari continue to hold significant market share, they are being forced to innovate and adjust pricing strategies to counter increasing competition.

Competitive pressures from digital natives and e-tailers: The entry of new domestic and international players has intensified competition. Brands such as *American Tourister*, *Aristocrat*, *Skybags*, *Wildcraft*, and new-age digital-first luggage brands have expanded their presence, offering a wider variety of products at competitive price points. Also, private-label brands from e-commerce giants such as Amazon Basics and Flipkart SmartBuy have gained traction, further eroding the dominance of traditional leaders.

e-commerce catalyzing D2C and brand democratization: The Indian consumer has become more value-conscious, demanding high-quality, feature-rich, and aesthetically appealing luggage at affordable prices. e-commerce platforms such as Amazon, Flipkart, and Myntra have enabled smaller and lesser-known brands to reach a wider audience, significantly lowering entry barriers for new competitors. The rise of online shopping and direct-to-consumer (D2C) brands have resulted in increased price transparency and lower margins for established brands.

Manufacturing efficiencies narrow down the gap in quality: The luggage industry has benefitted from improvements in manufacturing technology and supply chain efficiencies. Many smaller players now have access to contract manufacturing in China, Vietnam, and India itself, allowing them to produce high-quality luggage at lower costs. As a result, new entrants can offer products that match or exceed the quality of legacy brands, further levelling the playing field. Listed players such as VIP, Safari and Brand Concepts are expanding manufacturing capacities.

Price sensitivity and declining brand loyalty in economy and mid-premium segments: Unlike premium categories where brand loyalty is strong, the luggage industry is experiencing a decline in brand stickiness. Consumers are increasingly willing to switch brands for better pricing, discounts, or innovative features. This shift reduces the pricing power of leading players, making the market behave more like a perfect competition, where no single firm has significant control over prices.

Emerging players in the market

Luggage industry – White spaces exist despite presence of three large incumbents

- ▶ **Lack of design innovation and lifestyle positioning:** The category long remained functional and utilitarian, with limited style differentiation or trend-led design appealing to younger consumers.
- ▶ **Low digital focus and slow product refresh cycles:** Legacy players were heavily dependent on offline distribution and seasonal launches, leaving gaps in fast fashion – style assortments and online shopping experiences.
- ▶ **Limited segmentation and price-tier diversity:** The market was polarized between mass-utility and expensive premium products, with weak presence in value-premium, aspirational and customization-oriented offerings.

How new entrants addressed these gaps and built identity

- ▶ **Elevated luggage from a basic utility product to a durable, design-forward lifestyle accessory** by integrating recycled material, premium finishes and practical, travel-friendly features (*Uppercase*).
- ▶ **Made luggage a visually expressive and trend-led category** by introducing bold colours, themed collections and wide assortments online, transforming buying behaviour from functional to style-driven (*Nasher Miles*).

- ▶ **Redefined the premium travel experience** by combining minimalist luxury design with thoughtful usability innovations such as front-access compartments and superior service commitments (*Mokobara*).
- ▶ **Enhanced real-world travel comfort and ergonomics** through engineering-driven features such as wide-frame trolley handles that improve balance, handling and mobility on the go (*Assembly*).

New entrants – Limitations

- ▶ **Brand trust and durability – Perception risk:** Incumbents hold strong reliability equity in long-lasting travel goods, making it harder for startups to convert repeat-purchase and senior demographics.
- ▶ **Scaling offline distribution and manufacturing capacity:** Fast growth requires heavy investment in supply chain, quality check processes, and nationwide retail visibility.
- ▶ **Margin pressure from marketing intensity and promotions:** Customer acquisition costs remain high for digital-first brands, affecting profitability as scale expectations rise.

Exhibit 18: Rise of new-age luggage brands in India



Source: Company, Elara Securities Research

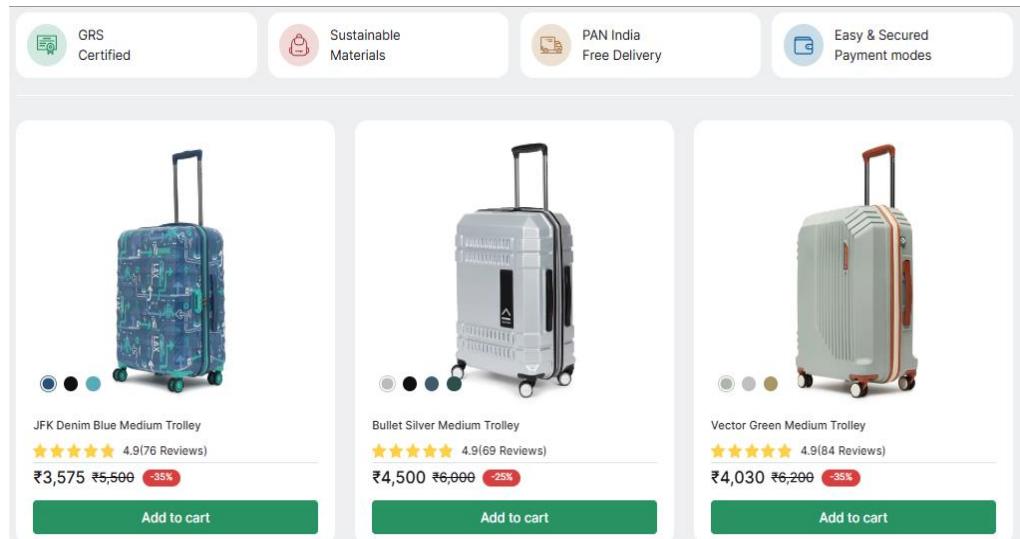
Uppercase (Ace four)

Uppercase is a modern travel-gear brand offering a comprehensive portfolio across hard-luggage trolleys, backpacks and duffle bags, designed for contemporary lifestyle mobility. Positioned to serve a growing consumer base that values design, functionality and responsible consumption, the brand focuses on premium aesthetics and everyday travel utility. Its range incorporates advanced material engineering and thoughtfully structured internal organization, catering to evolving travel habits.

Strategic moat/differentiator

Uppercase differentiates itself through sustainability and craftsmanship, led by its Eco Series built using GRS-certified recycled plastic bottles and eco-polycarbonate shells – the same impact-resistant material used in fighter jets. Beyond eco-credentials, its products integrate travel-specific features such as TSA-approved locks, double wheels, packing cubes and dedicated laundry compartments, elevating convenience and durability. Founded by a leadership team with extensive industry experience, the brand positions itself as India's first truly sustainability-centric luggage offering, blending environmental responsibility with functional performance.

Exhibit 19: Uppercase, the standout, led by sustainability and craftsmanship



Source: Company, Elara Securities Research

Priorities

Uppercase is actively scaling exclusive brand stores in high-traffic malls to strengthen experiential retail, while simultaneously expanding distribution across general trade channels to deepen reach beyond metros. Operational focus includes capacity expansion and faster innovation cycles to support portfolio diversification. Strategically, the brand aims to build a national lifestyle-travel identity centred on sustainability, modern design and omnichannel engagement

Exhibit 20: Financial highlights

Particular (INR mn)	FY23	FY24
Revenue	107	622
Growth (%)		483.8
EBITDA (INR mn)	(221)	(208)
EBITDA margin (%)	(207.6)	(33.5)
PAT (INR mn)	(217)	(193)
Growth (%)		NA
PAT margin (%)	(203.9)	(31)
RoCE (%)	(174.3)	(71.7)
RoE (%)	(170.7)	(76.2)

Source: MCA Filings, Elara Securities Research

Exhibit 21: Funding history

Year	Round	Amount (USD mn)	Valuation (USD mn)	Valuation (Mcap to Investors and facilitators revenue) (x)	
Aug-24	Series B	9.0	60.0	8.2	Institutional: Accel
Oct-23	Seed	2.1	32.1	59.1	Institutional: Sixth Sense Ventures, Volrado Venture Partners Angel: Vineet Dhingra, Shavina Prakash, Sandeep Kumar Singal, Kunal Bose
Jul-22	Seed	7.0	16.4	53.3	Institutional: Sixth Sense Ventures, Volrado Venture Partners, Enam Holdings Angel: Arnab Basu, Sanjay Luthra, Vipul Dhimant Sheth, Shavina Prakash, Dev Amritesh, Kunal Bose
Jul-21	Seed	1.5	7.8	NA	Institutional: Enam Holdings Corporate: Netesoft India Angel: Subrata Dutta, Arnab Basu, Sanjay Luthra, Rajat Goel, Neeraj Agarwal, Shivkumar Vembu, Mitesh N Shah, Paresh Valji Shah, Shavina Prakash, Sandeep Kumar Singal, Dev Amritesh, Vipul Dhimant Sheth, Mitesh Kamdar, Kunal Bose

Source: Vccedge, Elara Securities Research

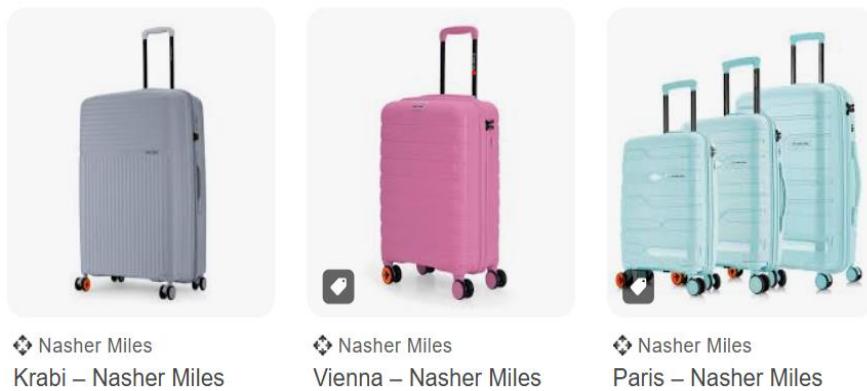
Nasher Miles

Nasher Miles operates in the mid-premium travel accessories category, offering trolley luggage, backpacks, laptop rollers and assorted travel accessories via a wide digital-first product portfolio. The brand appeals strongly to design-aware, value-seeking consumers across online retail ecosystems, supported by a distinctive aesthetic language and diverse colour options. Its assortment depth and multi-set bundles cater well to varied travel needs, from leisure to short-haul and corporate movement.

Strategic moat/differentiator

Nasher Miles has emerged as one of India's fastest-growing marketplace-native luggage brands, recognized for its bold theatics and location-inspired collections such as Paris, Krabi and Vienna, supported by exceptional affordability. Its strategy focuses on high-velocity design cycles and wide style assortments, targeting online shoppers who seek visual differentiation and fast delivery. By combining aggressive pricing, frequent promotional value and vibrant styling, the brand positions itself as a volume-driven, mass-affordable disruptor, addressing the gap between uninspiring utility luggage and expensive branded alternatives.

Exhibit 22: Best-in-class design at affordable price



Source: Company, Elara Securities Research

Priorities

Nasher Miles is accelerating offline presence through exclusive store rollouts and expansion across MBO retail networks to complement its marketplace dominance. Operational efforts include scaling domestic production capacity and enhancing backend responsiveness to support faster product refresh cycles. Strategically, Nasher Miles aims to establish itself as the leading design-led, digitally scaled national luggage brand with strong accessibility across major lifestyle retail zones.

Exhibit 23: Financial highlights

Particular (INR mn)	FY21	FY22	FY23	FY24
Revenue	726	1,074	1,414	1,652
Growth (%)		48	31.7	16.8
EBITDA (INR mn)	3	(25)	69	(39)
EBITDA margin (%)	0.4	(2.3)	4.9	(2.4)
PAT (INR mn)	6	24	55	(63)
Growth (%)		311	130.6	NA
PAT margin (%)	0.8	2.2	3.9	(3.8)

Source: MCA Filings, Elara Securities Research

Exhibit 24: Funding history

Date	Round name	Amount (USD mn)	Valuation (USD mn)	Valuation (Mcap to Investors & facilitators revenue) (x)
Jul-24	Seed	4.0	30.0	1.5
				Institutional: Singularity Ventures AMC, Trishakti Power Holdings, Hmtd Textiles, Rivaan Advisory, Pan Ventures, Maxar.vc, IVY Growth Associates, Orbit Lifescience, Luharuka Investment and Consultants, Orange O Tech, Excelencia Partner Corporate: Lemon Technologies, NIRWANA GROWTH, Kamalmohua Angel: Narendra Rathi, Sulabh Arya, Mohit Goyal, Satish Bhatia, Vishal Gupta, Akhil Agrawal
Feb-24	Seed	1.1	24.2	1.2
				Institutional: Saitthru Ventures, 3 Peaks Ventures, Thapar Vision, Red Spring Innovation Partner Corporate: 8756 Ventures Angel: Aman Gupta, Anupam Mittal, Namita Thapar, Vineeta Singh, Ritesh Agarwal, Abhishek Agarwal, Mohit Goyal, Sweta Mohanty
		(USD '000s)	(USD '000s)	
Mar-18	Seed	709.9	751.5	Institutional: Mfour Advisory, Shree Girinag Properties Angel: Pannalal Manicklal Daga, Shri Ratan Damani, Bal Kishan Sharma, Rashmi Daga, Manisha Daga, Dhara Mehta, Minal Sangeev Bagree, Nirmal Kumar Daga, Mukta Daga
Jun-16	Seed	148.0K	531.6	Institutional: Mfour Advisory Angel: Bal Kishan Sharma, Pannalal Manicklal Daga, Nirmal Kumar Daga

Source: Vccedge, Elara Securities Research

Mokobara

Mokobara positions itself in the premium lifestyle travel segment, offering refined luggage, backpacks and accessories underpinned by minimalist Scandinavian-inspired design. The brand resonates strongly with aspirational travelers who value form, functionality and experience-based ownership. Its stores and online presence emphasize a curated, premium experience, elevating travel gear from a utility product to a lifestyle expression.

Strategic moat/differentiator

Mokobara's breakthrough came with its *Access* and *Transit* ranges integrating front-opening accessibility compartments for laptops and travel documents, allowing quick retrieval without opening the entire case. This ergonomic innovation, combined with premium polycarbonate shells, sleek aesthetics, a 30-day trial policy, and industry-leading warranties, differentiates it as a design-and-service-centric brand bridging functionality and luxury. The brand's focus on thoughtful innovation and high-touch customer experience positions it as a modern premium challenger.

Exhibit 25: Mokobara leveraging ergonomic innovation and premium polycarbonate shells



Source: Company, Elara Securities Research

Priorities

Mokobara continues to scale through curated flagship stores across metro retail destinations, built around tactile interaction and community-centric engagement. It is broadening its product universe aligned to travel lifestyle needs while strengthening operational capabilities for faster innovation. Strategically, Mokobara aims to cement leadership in the premium lifestyle travel category and expand selectively into international markets with a globally relevant design identity.

Exhibit 26: Financial highlights

Particular (INR mn)	FY21	FY22	FY23	FY24
Revenue	19	122	533	1,174
Growth (%)		539.2	337.1	120.5
EBITDA (INR mn)	(12.2)	(43.4)	(68.1)	(27.0)
EBITDA margin (%)	(64.1)	(35.6)	(12.8)	(2.3)
PAT (INR mn)	(12)	(46)	(82)	(42)
Growth (%)		NA	NA	NA
PAT margin (%)	(62.5)	(37.7)	(15.4)	(3.6)

Source: MCA Filings, Elara Securities Research

Exhibit 27: Funding history

Date	Round name	Amount (USD mn)	Valuation (USD mn)	Valuation (Mcap to Investors & facilitators revenue) (x)	
Feb-24	Series B	12.0	82.3	10.9	Institutional: Peak XV Partners, Sauce, Saama Capital, Aditya Birla Ventures
					Institutional: Saama Capital, Sauce, Alteria Capital, Logx Venture Partners, Ranshiv Family, Simran Lal Trust, Good Capital, Skatrs Management Advisory
Aug -23	Series A	3.6	38.2		Corporate: Touchstone, Hypotenuse Capital, Angel List, Viabl Smart Ventures, KNAV, Hydrangea Consulting, Maven Consulting Services
					Angel: Harshita Kabra, Amit Rastogi, Ira Kathpalia, Nikhil Jaisinghani, Madhu Hari Jaidhara, Tushar Patel, Sanjay Kapoor, Nikhil Bhandarkar, Nirali Solani, Jigar K Shah, Revant Bhave, Ankur Goyal
Mar-22	Series A	6.5	19.9	14.9	Institutional: Saama Capital, Sauce, Alteria Capital, Panthera Peak Capital, Good Capital, Chona Family Office, Ranshiv Family, Simran Lal Trust, Skatrs Management Advisory, Logx Venture Partners
					Corporate: Touchstone Venture, Hypotenuse Capital, Viabl Smart Ventures, Hydrangea Consulting, Maven Consulting Services, Angel List
					Angel: Varun Alagh, Ashish Goel, Ramakant Sharma, Raul Rai, Harshita Kabra, Ira Kathpalia, Madhu Hari Jaidhara, Nikhil Bhandarkar, Sanjay Kapoor, Nikhil Jaisinghani, Gaurav Nathani, Ankur Goyal, Nishit Doshi, Jigar K Shah, Revant Bhave, Nirali Solani, Tushar Patel, Abhishek Goyal
Mar-21	Seed	1.6	3.3	13.8	Institutional: Sauce, Desai Ventures, Touchstone Venture, Ranshiv Family, Logx Venture Partners
					Corporate: Hypotenuse Capital, KNAV
Mar-20	Seed	0.3	2.2	56.5	Angel: Tushar Patel, Harshita Kabra, Jigar K Shah, Amit Rastogi, Revant Bhave, Nikhil Bhandarkar, Madhu Hari Jaidhara, Ira Kathpalia, Shaival Desai, Nirali Solani, Ashish Goel, Nikhil Jaisinghani
					Institutional: Sauce
					Angel: Ashish Goel

Source: Vccedge, Elara Securities Research

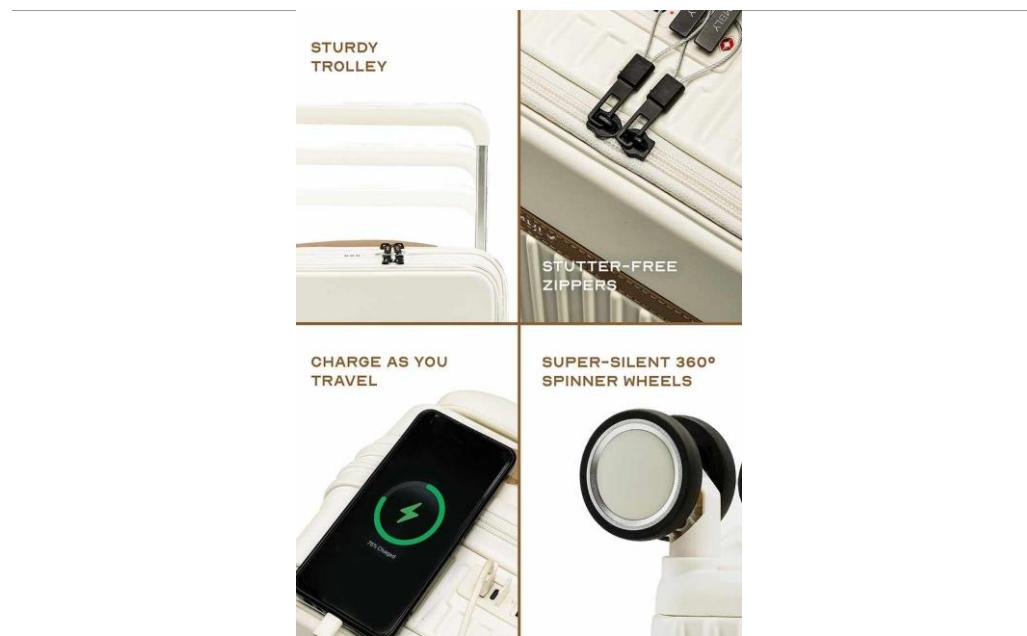
Assembly (Dismantle)

Assembly operates in the accessible-lifestyle luggage and travel accessories segment, offering a sharply curated portfolio of 10-11 SKUs that include contemporary hard-shell cases, backpacks and utility products. Designed for modern mobility and everyday usability, the brand speaks to consumers who value aesthetics and functional innovation without premium price barriers. Its digital-first footprint and modern brand expression drive strong discovery among trend-responsive buyers.

Strategic moat/differentiator

Assembly has carved a niche with its *"Rover"* collection, featuring a wide trolley handle engineered for better balance and smoother glide – an uncommon ergonomic innovation in the Indian luggage market. Complementary product lines such as Stark and Oblique highlight minimalist, urban styling and robust shell construction. By combining crafted-in-India design, functional innovation and premium visual identity, Assembly positions itself closer to global design-led travel brands rather than traditional utility-first domestic players.

Exhibit 28: Assembly – Minimalist, urban styling with robust shell construction



Source: Company, Elara Securities Research

Priorities

The brand is scaling distribution through e-commerce platforms and curated B2B partnerships while building brand visibility with selective offline activation. Operational focus remains on maintaining agility through a lean product architecture and outsourced manufacturing that enables rapid adaptation to emerging trends. Strategically, Assembly aims to build leadership in modern, entry-premium lifestyle travel, strengthening recall among new-generation travelers and evolving with their consumption behavior.

Exhibit 29: Financial highlights

Particular (INR mn)	FY22	FY23	FY24
Revenue	64	101	184
Growth (%)		56.5	82.9
EBITDA (INR mn)	(7)	(8)	(32)
EBITDA margin (%)	(11)	(7.5)	(17.3)
PAT (INR mn)	(6)	(5)	(25)
Growth (%)		NA	NA
PAT margin (%)	(8.5)	(5.2)	(13.6)

Source: MCA Filings, Elara Securities Research

Exhibit 30: Funding history

Date	Round name	Amount (USD mn)	Valuation (USD mn)	Valuation (Mcap to revenue) (x)	Investors & facilitators
Dec-23	Series A	2.1	8.7	-	Institutional: Saama Capital, Sauce, Alteria Capital, Logx Venture Partners, Ranshiv Family, Simran Lal Trust, Good Capital, Skatrs Management Advisory
May-22	Seed	0.35	2.0	9.1	Corporate: Touchstone, Hypotenuse Capital, Angel List, Viabl Smart Ventures, KNAV, Hydrangea Consulting, Maven Consulting Services
Mar-22	Angel	0.03	1.3	19.8	Angel: Harshita Kabra, Amit Rastogi, Ira Kathpalia, Nikhil Jaisinghani, Madhu Hari Jaidhara, Tushar Patel, Sanjay Kapoor, Nikhil Bhandarkar, Niral Solani, Jigar K Shah, Revant Bhave, Ankur Goyal
					Institutional: Rukam Capital
					Corporate: Wellfound, LetsVenture
					Angel: Vikram Beri, Parthiv Neotia, Bharath Reddy Solipuram, Siddharth Bhavanani
					Angel: Manik Khanna

Source: Vccedge, Elara Securities Research

Peer comparison

Exhibit 31: Financial comparison

Particulars	Safari	VIP	Swiss Military	Brand Concepts	Samsonite*
Sales (INR mn, FY25)	17,716	21,784	2,183	2,727	19,425
Sales CAGR (% , FY23-25)	21.1	2.4	29.6	29.3	1.6
Gross profit (INR mn, FY25)	8,092	9,938	370	1,371	8,168
Gross profit margin (%)	45.7	45.6	16.9	50.3	42.0
EBITDA (INR mn, FY25)	2250	823	109	291	2340
EBITDA CAGR (FY22-25, %)	6.9%	(48.8)	23.2	17.1	(20.3)
EBITDA margin (%)	12.7	3.8	5.0	10.7	12.0
PAT (INR mn, FY25)	1,428	(688)	90	66	730
PAT margin (%)	8.1	(3.2)	4.1	2.4	3.8
Return ratio					
ROE (FY25) (%)	18.1	(12)	9	10	40
RoCE (FY25) (%)	18	(3)	10	24	45
Working capital days (FY25)					
Inventory days	77	135	42	76	65
Receivables days	53	58	65	81	22
Payables days	52	66	27	49	56
Net WC days	133	127	79	109	31
FCF (INR mn, FY25)	477	2,490	(370)	(317)	

Note: *Samsonite financials as on CY24 and ratios as on CY23; Source: Company, Elara Securities Research

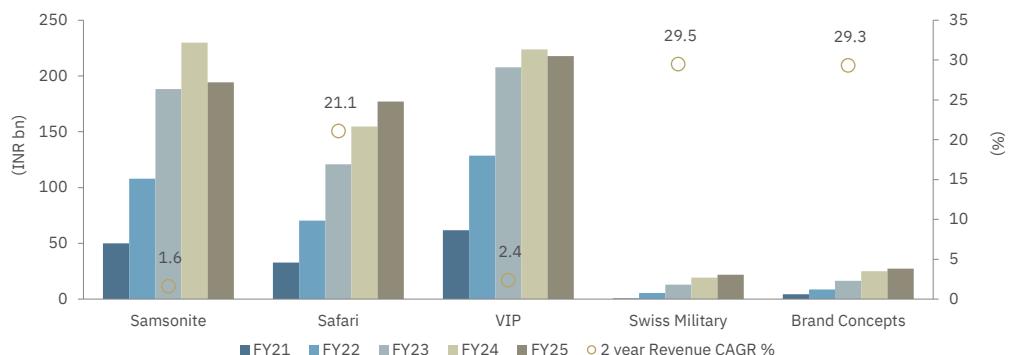
Exhibit 32: Operational comparison

Company / Brand	Key brands	Retail reach / touchpoints / EBOs	Online / offline mix	Manufacturing & capacity	Positioning / consumer target	Competitive moats	Key near-term focus areas
Safari Industries	Safari, Genie, Urban Jungle, Magnum, Genius	~7,500+ touchpoints & ~200 EBOs	Balanced omni mix	1.65m units/month hard luggage capacity (Halol + Jaipur)	Mass-to-mass-premium, functional, online-led	Hard-luggage scale & speed-to-market	Strengthen premium design and expand physical retail
VIP Industries	VIP, Skybags, Aristocrat, Carlton, Alfa, Caprese	14,000+ touchpoints & 410 EBOs	e-commerce 31%, GT 17%, MT 23%	2.1 units/month Bangladesh outsourcing + India presence	Multi-brand coverage across price segments	Brand heritage + widest offline distribution	Faster product refresh & channel restructuring
Samsonite	Samsonite, American Tourister, Kamiliant	~300+ EBOs	Offline-heavy	700,000 units/month hard luggage capacity, Imported from China / Vietnam / Hungary	Premium / global lifestyle & business travel	High brand aspiration + durability	Maintain competitiveness amid downtrading
Swiss Military	Swiss Military	4,000+ touchpoints, 110 EBO	40% online, 20% GT	~90,000 units/month	Outdoor / tactical utility, male-skewed positioning	Rugged utility positioning & cross-category recall	Strengthen brand identity in luggage category
Brand Concepts	Tommy Hilfiger Travel Gear, UCB, Juicy Couture, Aeropostale, Off-White, Superdry, Sugarush, The Vertical	50 EBO	Online 45%, MT 26%, GT 24%	30,000 units/month	Fashion-driven premium accessory & travel lifestyle	Strong global lifestyle associations	Scale expansion and margin consistency

Nasher Miles	Nasher Miles	5 EBO	Online-first	~35,000 units/month	Design-forward millennial audience	Rapid design cycles, color identity	Improve offline profitability & CAC
Mokobara	Mokobara	17 EBOs	Online-led premium	~30,000 units/month	Minimal aesthetic, lifestyle UX	Experience-led differentiation	Scale & broader consumer penetration
Uppercase	Uppercase	Online-heavy, selective offline	90% online / 10% offline	~30,000 units/month	Sustainability-first brand	ESG narrative & recycled-material story	Build durability reliability perception
Assembly	Assembly	Marketplace-led (Amazon, Myntara, Nykaa)	Online-first	Outsourced	Feature-loaded youth brand	Tech + value positioning	Brand salience & retention building

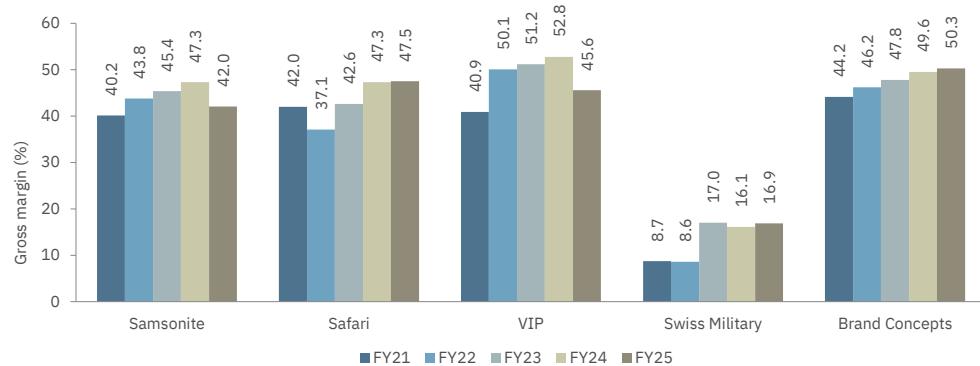
Source: Company, Elara Securities Research

Exhibit 33: Despite heightened competition, Safari maintained 21.1% CAGR in FY23-25



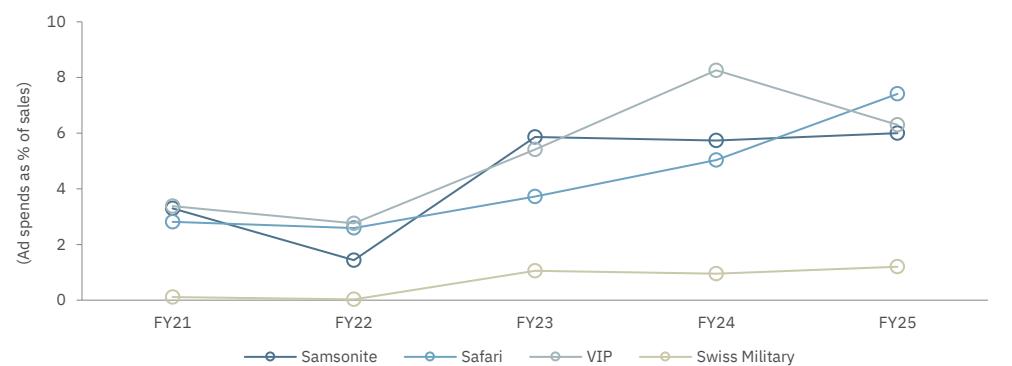
Source: Company, Elara Securities Research, Note: Samsonite follows CY, hence FY25 are CY24

Exhibit 34: Elevated discounting cut down gross margin of VIP industries and Samsonite

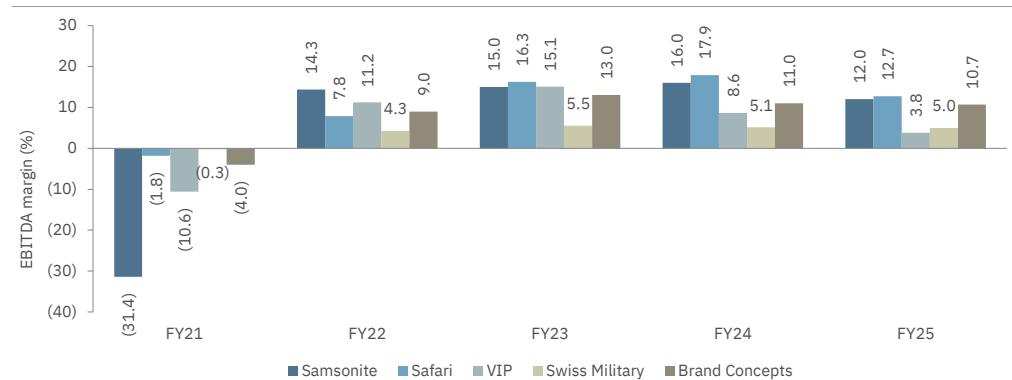


Source: Company, Elara Securities Research, Note: Samsonite follows CY, hence FY25 are CY24

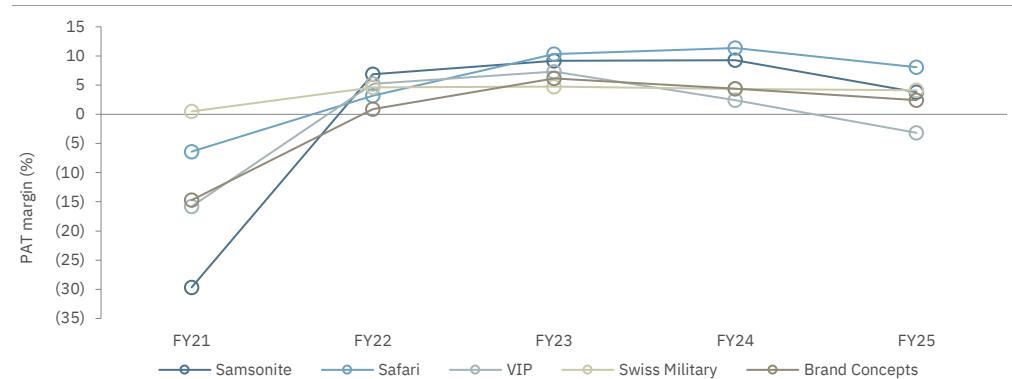
Exhibit 35: Safari stepping up advertising investments



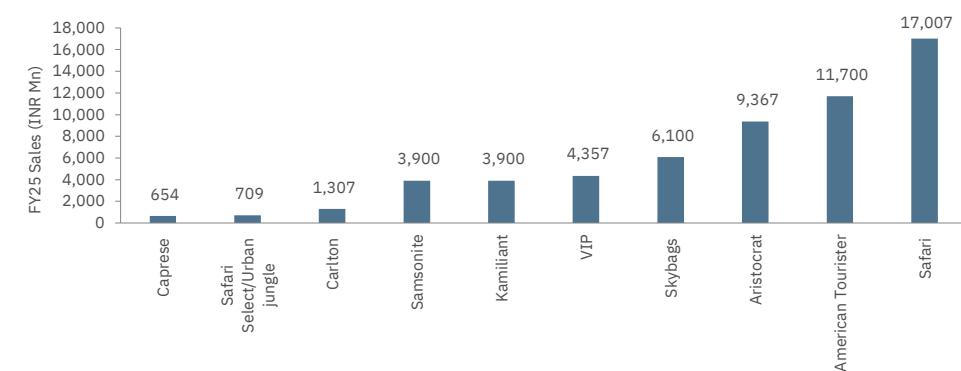
Source: Company, Elara Securities Research, Note: Samsonite follows CY, hence FY25 are CY24

Exhibit 36: Stable raw material price offset by higher branding spend affecting FY25 EBITDA margin

Source: Company, Elara Securities Research, Note: Samsonite follows CY, hence FY25 are CY24

Exhibit 37: Structural shifts, external headwinds pushed VIP's PAT margin into negative zone in FY25

Source: Company, Elara Securities Research, Note: Samsonite follows CY, hence FY25 are CY24

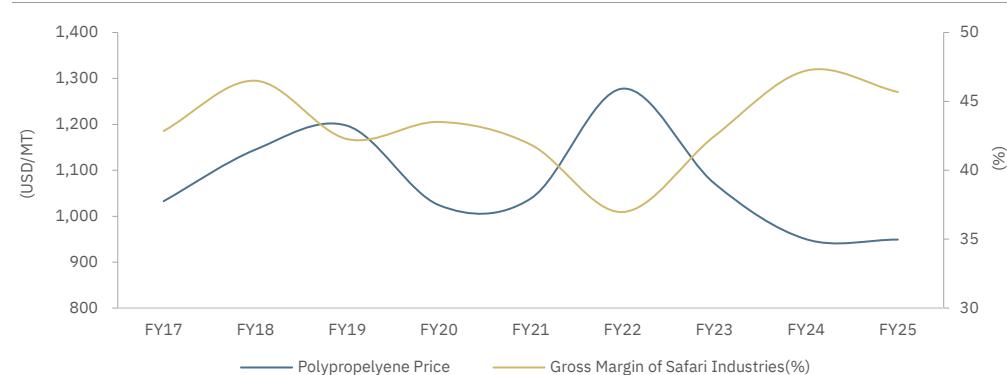
Exhibit 38: Safari – Biggest brand in the luggage industry by sales

Source: Company, Elara Securities Research

Key risks

- ▶ **Demand slowdown:** The luggage industry remains inherently levered to domestic and international travel flows. Any disruption from macro-economic slowdowns, pandemics and geopolitical tensions can materially impact travel and thereby, the need for travel gear. Corporate travel recovery also remains structurally slower than leisure, making the demand environment uneven.
- ▶ **Intensifying competition:** The influx of D2C entrants (Mokobara, Nasher Miles, etc.) has elevated marketing intensity, discounting, and design cycles. Legacy players face pressure to refresh portfolios more frequently, while new entrants risk brand dilution due to over-dependence on marketplace-driven sales. This may hit growth and margin.
- ▶ **Input cost inflation could impact profitability:** Key raw material include synthetic fabrics, polypropylene and polycarbonate that are crude oil derivatives and subject to volatility. As majority of the consumers are price conscious, pass through of price increase is difficult and may impact profitability in times of cost inflation and *vice-versa*.

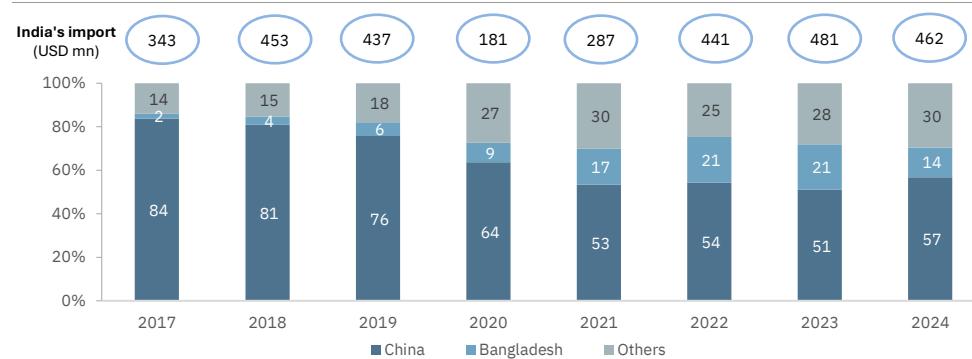
Exhibit 39: Inverse correlation between raw material and profitability



Source: Company, Bloomberg, Elara Securities Research

Import dependency could impact profitability in times of rupee depreciation: A large portion of manufacturing and component sourcing is dependent on imports. China and Bangladesh form ~70% of imports for India. External shocks – freight shortages, shipping delays, regulatory changes – can impair availability and raise landed costs. Domestic manufacturing capabilities for premium hard luggage are still evolving, while soft luggage is still subject to imports. Rupee depreciation compresses gross margins, particularly in mass and mid-tier categories where pricing power is low.

Exhibit 40: China and Bangladesh dominate the sourcing countries



Source: ITC Trade Map, Elara Securities Research

Safari Industries

India | Consumer Discretionary | Initiating Coverage

Elara Capital

8 December 2025

Mass+Class: Power that lasts

Safari Industries (SII IN) changed the way India consumed branded luggage. It is the pioneer of branded travel gear in the mass market category, gaining share from unorganized, unbranded players. Challenging the market leaders and new age D2C players, the company is set on a premiumization journey with a well-diversified portfolio across price points. SII's thrust on efficient cost structure, distribution expansion and premium product launches should aid margin expansion. Strong thrust on supply chain management, margin expansion and capital allocation are likely to prop free cash flow and increase balance sheet strength. We **initiate coverage on SII with a Buy rating** and a target price of INR 3,111, based on 35x FY28E EV/EBITDA, offering a 31% upside.

SII leveraging mass market opportunity: SII is the undisputed market leader in India's price-sensitive mass segment of the luggage industry. Its success stems from price-accessible hard luggage, fast-moving SKUs, and excellent distribution in e-commerce and general trade channels. The company gained market share in an expanding branded segment to reach 32% in CY24 (24% in CY21), featuring among top-three branded companies in luggage industry.

Strategic agility driving growth: Rising preference for premium, and aesthetically appealing luggage led the demand for hard luggage, resulting in industry-wide constraints in hard luggage supply. SII's sharp pivot towards hard luggage increased its revenue share to 74% in FY25 from 19.4% in FY17. The focus on capacity expansion in hard luggage (favourable cost structure in India), widening distribution channels in both online and offline platforms and single brand strategy underscore SII's agility in aligning with evolving consumer preferences and premiumization trends.

Set on a premiumization journey: SII's premiumisation strategy is emerging as a structural growth catalyst, supported by its transition from a single mass brand to a multi-tier portfolio with higher-ASP offerings such as *Safari Select, Urban Jungle* and *Genie*. SII is now leveraging its large upgrade-ready customer base, rising discretionary spending and stronger retailer acceptance to drive mix improvement and enhance pricing power. This shift toward premium categories is set to durably lift margins, deepen brand equity, and strengthen SII's competitive positioning in an increasingly aspirational luggage market.

Initiate with Buy: We expect revenue to compound at 16.2% CAGR in FY25-28E, despite increasing competition, led by its strategy to gain market share through product innovation, premiumisation, deeper distribution and a cost-efficient supply chain to lead in mass market segments. We expect EBITDA margin to expand 240bps, enabling an EPS CAGR of 24.8% and ROCE improvement to 22.2% by FY28E. SII has traded at an average one-year forward EV/EBITDA of 25.6x post COVID, with a peak of 48.4x. As the industry recovers from discounting and excess inventory pressures, we expect profitability to recover from FY27E. We initiate coverage with a **Buy** and a **TP of INR 3,111 on 35x FY28E EV/EBITDA**, implying **31% upside**. Key risks are a change in consumer preference for hard luggage, increase in competitive intensity and sharp rise in raw material price.

Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	15,504	17,716	20,728	24,114	27,768
YoY (%)	27.9	14.3	17.0	16.3	15.2
EBITDA (INR mn)	2,775	2,250	2,985	3,521	4,193
EBITDA margin (%)	17.9	12.7	14.4	14.6	15.1
Adj PAT (INR mn)	1,758	1,428	1,896	2,316	2,778
YoY (%)	40.5	(18.8)	32.8	22.1	20.0
Fully DEPS (INR)	36.1	29.2	38.9	47.5	57.0
RoE (%)	28.1	16.1	18.2	18.8	18.9
RoCE (%)	33.4	18.1	21.4	21.8	22.2
P/E (x)	66.0	81.5	61.2	50.1	41.7
EV/EBITDA (x)	41.7	51.4	38.7	32.8	27.6

Note: Pricing as on 05 December 2025; Source: Company, Elara Securities Estimate

Rating: **Buy**

Target Price: **INR 3,111**

Upside: **31%**

CMP: **INR 2,379**

As on 05 December 2025

Key data

Bloomberg	SII IN
Reuters Code	SAFA.NS
Shares outstanding (mn)	49
Market cap (INR bn/USD mn)	117/1,295
EV (INR bn/USD mn)	116/1,285
ADTV 3M (INR mn/USD mn)	98/1
52 week high/low	2,837/1,670
Free float (%)	46

Note: as on 05 December 2025; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Promoter	45.4	45.4	45.4	44.9
% Pledge	0.0	0.0	0.0	0.0
FII	12.3	13.3	13.1	12.3
DII	24.0	23.7	24.7	26.1
Others	18.4	17.6	16.9	16.7

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	5.7	4.7	6.1
Safari Industries	10.9	8.5	(10.6)
NSE Mid-cap	4.8	3.2	3.4
NSE Small-cap	(2.6)	(4.6)	(10.0)

Source: Bloomberg

Prerna Jhunjhunwala

Consumer Discretionary, Footwear,
Textile
+91 22 6164 8519
prerna.jhunjhunwala@elaracapital.com



Associates
Nikhil Kamble
nikhil.kamble@elaracapital.com

Dheeraj Thakur
Dheeraj.thakur@elaracapital.com

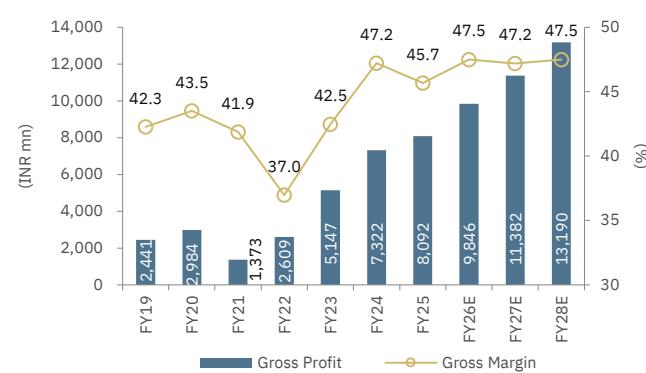
Story in charts

Exhibit 1: Expect revenue to compound at 16.2% CAGR in FY25-28E



Source: Company, Elara Securities Estimate

Exhibit 2: Expect gross margin to reach 47.5% by FY28E



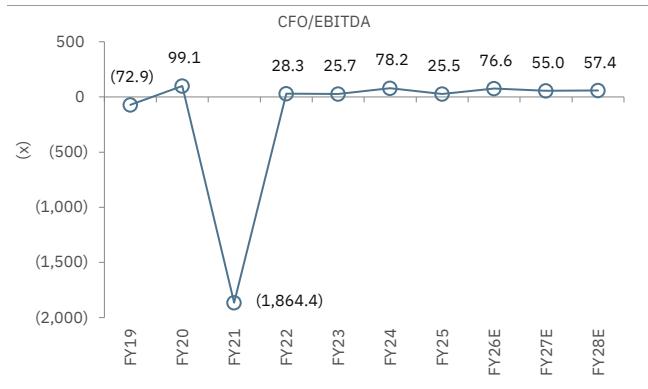
Source: Company, Elara Securities Estimate

Exhibit 3: Expect EBITDA margin to reach 15.1% by FY28E



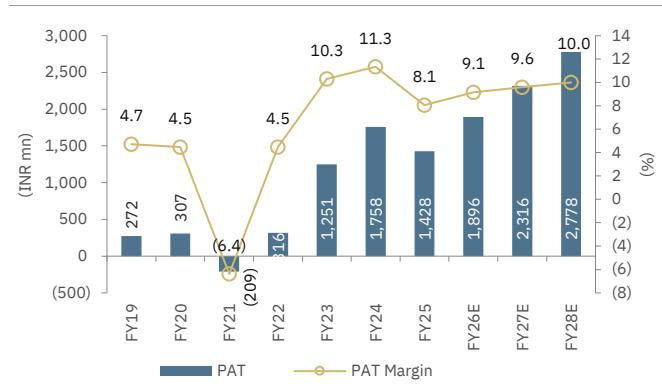
Source: Company, Elara Securities Estimate

Exhibit 5: Expect strong CFO/EBITDA conversion ratio of 57.4% in FY28E



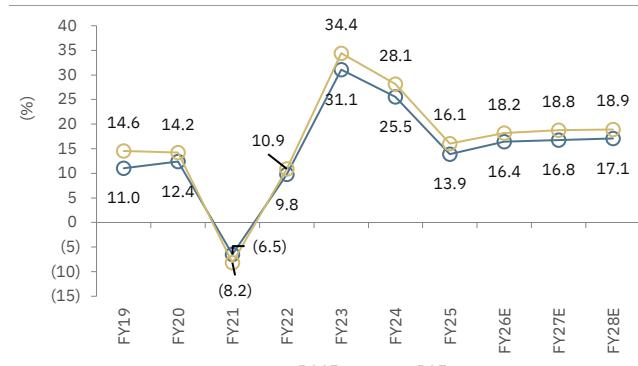
Source: Company, Elara Securities Estimate

Exhibit 4: PAT set to almost double to INR 2,778mn by FY28E



Source: Company, Elara Securities Estimate

Exhibit 6: Expect ROCE to reach 22.2% in FY28E



Source: Company, Elara Securities Estimate

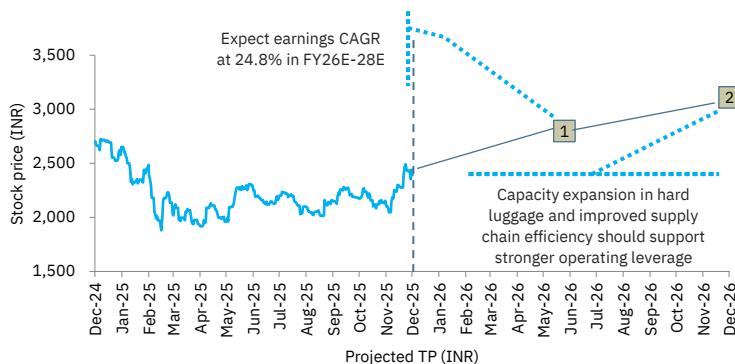
Investment Rationale

Consolidated leadership in the value luggage segment via affordable hard luggage, fast-moving SKUs, and deep omnichannel penetration. We expect strong category leadership and brand scale to drive sustained outperformance, with a 16.2% revenue CAGR in FY25-28E.

India-based capacity expansion with structural cost edge has accelerated hard-luggage scale, lifting mix to 74% of revenue in FY25 from 19.4% in FY17. Reinforced supply chain and omnichannel reach enhance competitiveness and support sustained growth momentum.

A multi-tier premium portfolio (*Safari Select, Urban Jungle, Genie*) will drive mix upgrade, pricing power and stronger trade traction, with structural profitability improvement. Expect a 240bps rise in EBITDA margin and 24.8% EPS CAGR in FY25-28E on premiumization and disciplined capital allocation.

Valuation Triggers



Valuation triggers

- Expect earnings CAGR at 24.8% in FY26E-28E
- Capacity expansion in hard luggage and improved supply chain efficiency should support stronger operating leverage

Our assumptions

- Expect revenue CAGR of 16.2% in FY25-28E, led by premiumization and omni channel strategy
- Scale efficiencies and cost optimization should help EBITDA margin expand by 240bps to 15.1% by FY28E.

Key risks (downside/upside)

- Shift in consumer preference
- Sharp increase in raw material costs impacting margins.
- Increase in competitive intensity

Valuation overview

INR (mn)	
FY28E EBITDA	4,193
Target EV/EBITDA (x)	35
EV	1,46,754
Cash (INR mn)	5,105
Debt (INR mn)	221
Equity value (INR mn)	1,51,638
Total no. of shares (mn)	49
TP (INR)	3,111
CMP (INR)	2,379
Upside (%)	31

Source: Elara Securities Estimate

Valuation drivers – One year forward EV/EBITDA



Source: Bloomberg, Company, Elara Securities Research

Industry trends and macro factors

- Rising frequency of travel, lifestyle upgrades and consumer shift to branded luggage are driving structural category growth.
- Supply chain normalization and easing input costs support margin recovery across the industry.

Market position and competitive landscape

- SII enjoys strong leadership in the mass segment with accelerating share gains against unorganized and D2C players.
- Premiumization strategy and multi-tier portfolio enhance competitiveness versus incumbents and new entrants.

Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	15,504	17,716	20,728	24,114	27,768
Gross Profit	7,322	8,092	9,846	11,382	13,190
EBITDA	2,775	2,250	2,985	3,521	4,193
EBIT	2,257	1,659	2,266	2,730	3,303
Interest expense	95	88	93	109	139
Other income	139	285	290	386	444
Exceptional/ Extra-ordinary items	-	-	-	-	-
PBT	2,301	1,856	2,463	3,007	3,608
Tax	543	428	566	692	830
Minority interest/Associates income	-	-	-	-	-
Reported PAT	1,758	1,428	1,896	2,316	2,778
Adjusted PAT	1,758	1,428	1,896	2,316	2,778
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	8,235	9,535	11,281	13,404	15,944
Minority Interest	-	-	-	-	-
Trade Payables	1,522	2,000	2,000	2,000	2,000
Provisions & Other Current Liabilities	522	644	729	760	791
Total Borrowings	416	198	207	203	221
Other long term liabilities	748	814	788	805	817
Total liabilities & equity	11,442	13,191	15,003	17,172	19,773
Net Fixed Assets	2,929	4,136	4,517	4,726	4,836
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Business Investments / other NC assets	278	375	269	278	287
Cash, Bank Balances & treasury investments	2,184	2,250	3,351	4,009	5,072
Inventories	2,694	3,504	3,794	4,647	5,594
Sundry Debtors	1,654	2,429	2,556	2,973	3,423
Other Current Assets	1,703	498	518	539	561
Total Assets	11,442	13,191	15,003	17,172	19,773
Cash Flow Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Cashflow from Operations	2,169	573	2,287	1,938	2,405
Capital expenditure	(1,112)	(1,454)	(486)	(500)	(500)
Acquisitions / divestitures	-	-	-	-	-
Other Business cashflow	(2,341)	1,358	-	-	-
Free Cash Flow	(1,284)	477	1,801	1,438	1,905
Cashflow from Financing	2,603	(410)	(700)	(780)	(842)
Net Change in Cash / treasury investments	1,319	67	1,101	658	1,063
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share (INR)	2.2	3.0	3.9	4.8	5.7
Book value per share (INR)	168.9	195.0	231.4	275.0	327.0
RoCE (Pre-tax) (%)	33.4	18.1	21.4	21.8	22.2
ROIC (Pre-tax) (%)	43.2	23.8	29.0	30.8	31.9
ROE (%)	28.1	16.1	18.2	18.8	18.9
Asset Turnover (x)	6.5	5.0	4.8	5.2	5.8
Net Debt to Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Net Debt to EBITDA (x)	(0.6)	(0.9)	(1.1)	(1.1)	(1.2)
Interest cover (x) (EBITDA/ int exp)	29.2	25.5	32.0	32.4	30.2
Total Working capital days (WC/rev)	163.6	132.7	142.2	153.1	166.9
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	66.0	81.5	61.2	50.1	41.7
P/Sales (x)	7.5	6.6	5.6	4.8	4.2
EV/ EBITDA (x)	41.7	51.4	38.7	32.8	27.6
EV/ OCF (x)	53.3	201.7	50.6	59.7	48.1
FCF Yield	(1.1)	0.4	1.6	1.2	1.6
Price to BV (x)	14.1	12.2	10.3	8.7	7.3
Dividend yield (%)	0.1	0.1	0.2	0.2	0.2

Note: Pricing as on 05 December 2025; Source: Company, Elara Securities Estimate

We expect revenue CAGR at 16.2% in FY25-28E

Mass+Class: Power that lasts

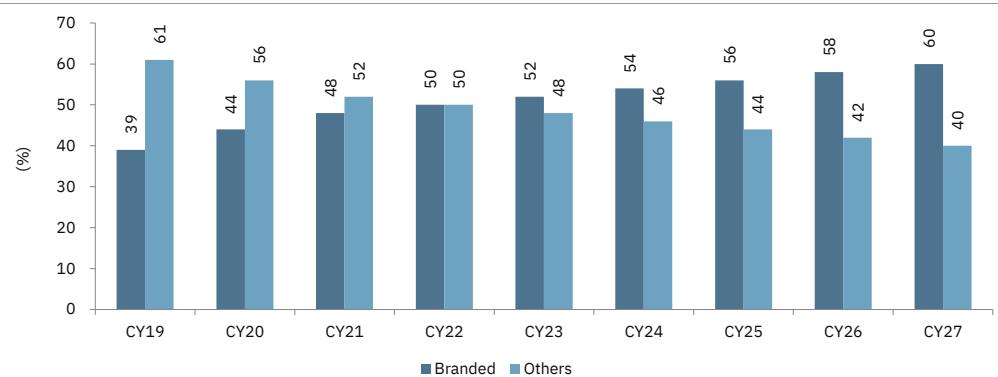
- ▶ SII leveraging mass market opportunity
- ▶ Strategic agility driving growth
- ▶ Set on a premiumization journey

SII leveraging mass market opportunity

Undisputed leader in mass market segment

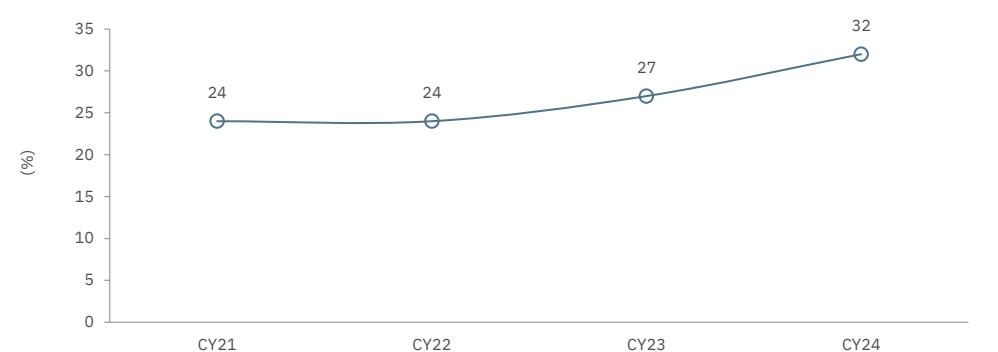
The mass market segment comprises ~60% of the luggage industry and has witnessed strong demand led by lower prices and improved quality provided by branded players. When other organised player in the industry were focussed on premiumisation, SII focussed on bottom-end of the pyramid to grab share from unorganised and unbranded players. This space was the least crowded for an organised player in 2012, which enabled the company to penetrate faster through its product and brand strategy. This improved the market share of branded players in industry from 39% in CY19 to 54% in CY24, which is likely to reach 60% in CY27 (source: VIP Presentation). SII has been a major beneficiary of increasing preference for branded products due to its product strategy to provide quality products at affordable prices. SII, through its *Safari* brand, is the market leader in the mass market segment of the luggage industry. The company gained market share in an expanding branded segment to reach 32% in CY24 from 24% in CY21 (among the top-three branded luggage companies).

Exhibit 7: Branded players to reach 60% of market share by CY27



Source: VIP Presentation, Elara Securities Research

Exhibit 8: SII's market share rose to 32% among the top three branded luggage players

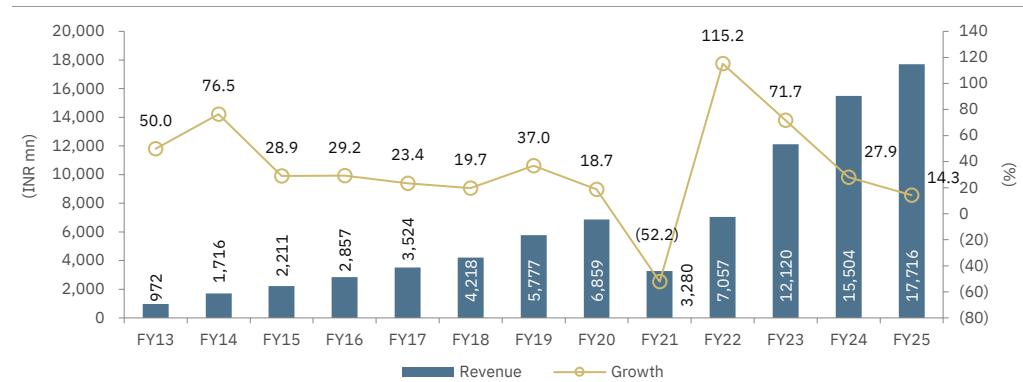


Source: VIP Presentation, Elara Securities Research

Strategic reset post-acquisition: A decade-long growth flywheel

The market share gain came from a series of strong decisions, a change in business model and grit from an ambitious promoter. Since Mr Sudhir Jatia took over SII in 2012, the company underwent a fundamental strategic shift. Previously a passive player, SII saw structural transformation across key business vectors – Product, brand, and channel. The company scaled back unprofitable product lines, eliminated non-performing SKUs, forayed into Polycarbonate (PC) luggage manufacturing and entered mass-market backpack and laptop-bag categories, exited the CSD dependence trap, focused on digital channels and ramped up distribution reach. So, revenue and profitability witnessed an inflection post FY14, with the brand becoming synonymous with functionality and reliability in value-conscious households. This enabled SII to compound at 27.4% CAGR in FY13-25 and its market share rose to 32% in CY24 (24% in CY21), among the top-three branded companies in the luggage industry. SII's success in the mass segment stems from price-accessible hard luggage, fast-moving SKUs, and excellent distribution in e-commerce and general trade channels.

Exhibit 9: Revenue compounded at 27.4% CAGR in FY13-25



Source: Company, Elara Securities Research

Exhibit 10: Safari brand's offerings across product categories



Source: Company, Elara Securities Research

Strategic agility powering growth

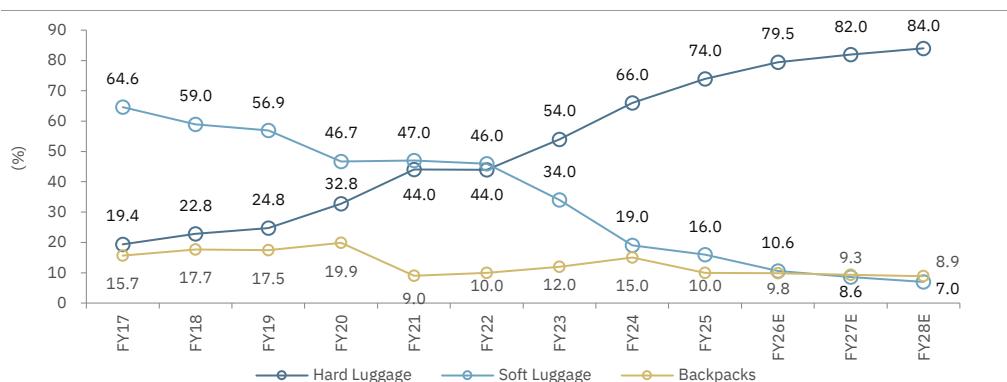
Focus on hard luggage: Early mover advantage

SII's sharp pivot to hard luggage has been a strategic differentiator and a major driver of its outperformance in the past many years. The contribution of hard luggage surged from 19.4% in FY17 to 74% in FY25, reflecting both rising consumer preference for durable, premium-looking products and SII's early investments in in-house, hard-luggage manufacturing. This early-mover edge enabled SII to scale capacity ahead of competitors, accelerate product rollouts, and capture a disproportionate share in a fast-growing category. Hard luggage revenue grew at 42.3% CAGR in FY20-25.

In contrast, soft luggage – where SII historically had a larger presence – saw its contribution fall sharply from 64.6% in FY17 to 16.0% in FY25, as the management consciously deprioritized the segment due to lower margins and limited differentiation opportunities. The share of backpacks has been declining from ~15% of revenue in FY17 to 10% in FY25, on account of a sharp rise in hard luggage while being supported by steady demand from students and young professionals.

Overall, the shift in the product mix underscores SII's agility in aligning with evolving consumer preferences and premiumization trends. Its early and decisive bet on hard luggage not only improved the margin profile but also enabled SII to outgrow the industry and gain market share as the category expanded. This focus positions SII strongly to benefit from rising travel frequency, the shift toward branded products, and the structural migration toward hard-case luggage in India.

Exhibit 11: Share of hard luggage to reach 84% by FY28E



Source: Company, Elara Securities Estimate

In-house manufacturing, a step forward

To compete in the mass market segment and create a brand positioning, SII focused on creating cost efficiency. It strategically pivoted towards in-house manufacturing to capitalise on the growing consumer shift towards hard luggage. This trend, driven by a rising preference for more premium, durable, and aesthetically appealing luggage, caused industry-wide constraints in hard luggage supply. Recognising this opportunity early, SII began building its internal production base for hard luggage in FY13, establishing a manufacturing plant at Halol, Gujarat, to produce polycarbonate (PC)-based hard luggage. The initiative marked a significant step toward reducing dependence on external suppliers and improving control over quality, timelines, and costs. Over time, the company kept adding capacity in hard luggage in Halol to gain economies of scale and superior quality at lower prices.

To further scale its capabilities, SII established a wholly-owned subsidiary, Safari Manufacturing (SML), and in FY22 acquired land and assets formerly owned by Lear Automotive (India) Pvt. in Halol. SML focuses on polypropylene (PP)-based hard luggage, complementing PC production at SII. By FY23, the combined monthly capacity of both entities stood at 0.525mn pieces per month – 0.225mn pieces per month from SML and 0.3mn pieces per month from Safari Industries. Continued demand led to an additional expansion in FY24, increasing SML's capacity to 0.35mn pieces per month, raising the overall installed capacity to 0.65mn pieces per month.

The company also initiated a further brownfield expansion of 0.1mn/month and announced a greenfield facility in Jaipur, Rajasthan, with a capex commitment of INR 2,150mn. Funded through a

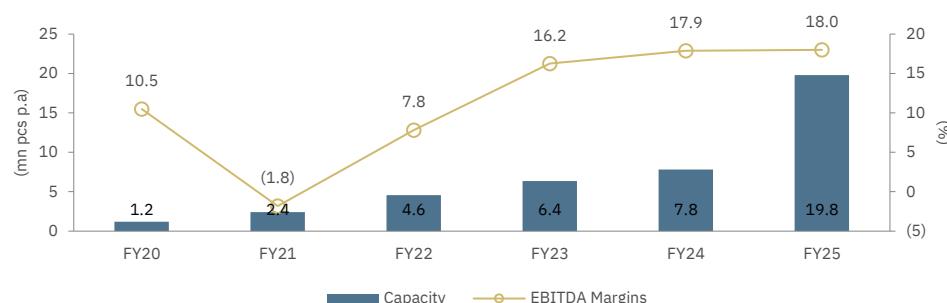
INR 2,290mn preferential equity raise from Lighthouse India Fund IV in Jan '24, this expansion increased SII's domestic hard luggage manufacturing capacity to an estimated 1.65mn pieces per month. In the Jaipur facility, the company also manufactures components such as wheels (designed for 2mn wheels monthly) as a step further in backward integration, enabling cost control, minimising supply chain disruptions and reducing import costs.

In-house manufacturing is a core pillar of SII's business strategy, currently contributing ~70% of revenue in FY25. This backward integration enabled the company to benefit from efficient cost structure, higher inventory efficiency, greater agility in responding to market demand, and enhanced product quality. This enabled the company to gain market share and improve profitability.

On the soft luggage side, SII continues to rely on third-party sourcing, but has significantly diversified its supplier base. Historically dependent on China for soft luggage and backpacks, SII has reduced China's contribution from 64% in FY20 to around one-third of total sourcing. This shift was prompted both by viability concerns and the strategic need to reduce geopolitical risk. The company has established strong partnerships with suppliers in India and Bangladesh, including exclusive tie-ups for dedicated manufacturing capacity.

Overall, SII's focus on in-house production for hard luggage and diversified sourcing for soft luggage position it well to navigate supply-side constraints that enhance competitiveness, while providing cushion to the profitability in intense competition times and delivering consistent value to customers.

Exhibit 12: Margins set to accelerate with increasing in-house capacity



Source: Company, Elara Securities Research

Comprehensive channel strategy: A multi-faceted approach to market penetration

SII sharply increased its focus on expanding consumer reach, with D2C, e-commerce, and hypermarkets forming the backbone of its channel strategy, well aligned with its mass-market brand positioning. The company invested heavily in digital channels to stay ahead of the industry's shift toward online consumption. Partnerships with leading platforms such as Amazon and Flipkart have enabled SII to penetrate diverse customer segments, with e-commerce now contributing ~40% of revenue and serving as a powerful vehicle to deepen reach in regions where offline branded presence is limited. Since initiating online sales in FY14, SII has consistently prioritised high-growth digital engines – D2C and e-commerce – supported by strong on-platform and social media advertising to drive consumer acquisition and strengthen brand visibility. In addition, the brand is sold across all leading hypermarkets, including Vishal Mega Mart, D-Mart, and JioMart stores, further strengthening its visibility and accessibility in the mass-market segment.

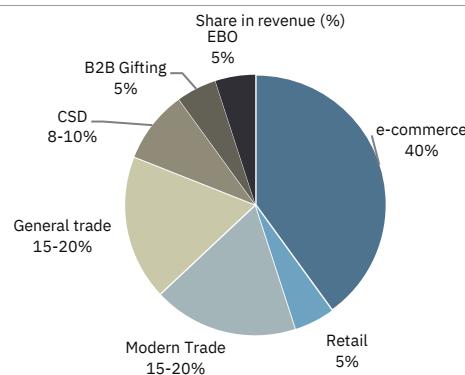
At the same time, SII is building a robust multi-channel architecture to reinforce its market presence and enhance brand equity. Its exclusive brand outlets (EBOs) – now at ~150 and expanding across metros and tier-1 cities – serve as high-impact brand anchors. Located in malls and airports, these stores offer a controlled, premium retail environment that enhances brand perception, delivers full-price realization, and enables direct consumer interaction. While primarily a brand-building tool today, EBOs have the potential to evolve into profitable centres as scale improves.

Complementing the EBO rollout, SII continues to enhance omni-channel capabilities through its digital storefront, ensuring a seamless consumer journey across touchpoints. Parallelly, the company

sees strong headroom in multi-brand retail expansion. With a physical distribution reach of ~8,400 touchpoints, SII trails VIP Industries' 14,000+ touchpoints, highlighting substantial whitespace—especially in tier-2 and tier-3 cities where mass-market presence is crucial and exclusive stores alone may not suffice.

SII's focus on reach-led expansion — anchored by D2C, e-commerce, hypermarkets, EBOs, and MBO growth — positions it to scale efficiently, widen its consumer funnel, and capture incremental market share across diverse geographies.

Exhibit 13: Digital channel, the highest contributor to revenue in FY25



Source: Company, Elara Securities Research

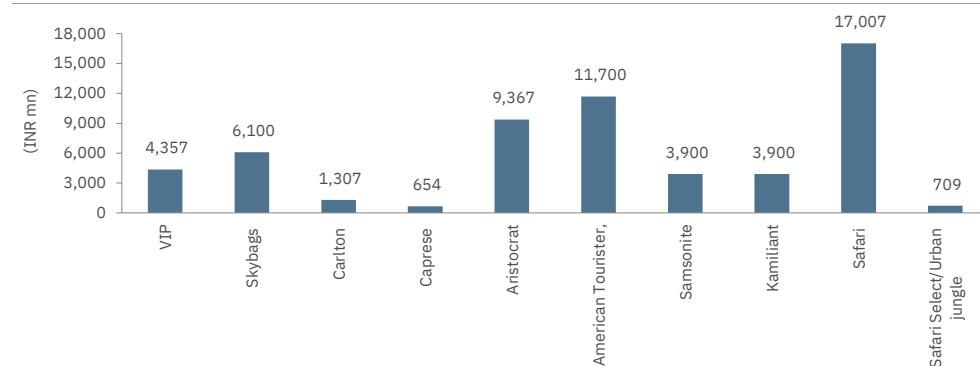
Set on a premiumisation journey

Single brand focus strengthens brand recall

SII's growth in the past decade has been anchored by the strength, scalability, and relevance of its flagship brand, *Safari*. Despite operating in a competitive and fragmented market, the company leveraged a single-brand-led strategy to build scale, visibility, and consumer trust.

SII focused on making the *Safari* brand the go-to value brand for Indian families, offering durable, functional products at accessible price points. In a market historically dominated by unorganised players, SII's consistently improving quality and affordable pricing allowed it to capture a large share of first-time branded luggage buyers. This mass-market resonance accelerated penetration across tier-2/3 cities, building a high-volume revenue base. Its early and aggressive participation in e-commerce as well as hypermarkets (D-Mart, Vishal Mega Mart, JioMart, etc.) amplified its presence where mass consumers increasingly shopped. A single brand simplified consumer understanding ('safe, reliable, affordable luggage'), making *Safari* a household name much earlier than peers with split brand architectures. Interestingly, *Safari* as a single brand is the largest brand among the direct peers in the luggage industry.

Exhibit 14: Safari – The largest brand in the luggage industry by sales (FY25)



Source: Company, Elara Securities Research

Premiumization under *Safari bellwether*

Having built a trusted brand at scale, SII turned its focus on the right to move up the value chain. The mass-market foundation created repeat customers ready to upgrade, the ability to premiumize without alienating its base and retailer confidence to carry higher-priced *Safari* sub-brands. This ultimately enabled the launch of premium and lifestyle brands such as *Safari Select*, *Urban Jungle*, and *Genie*. The company continued its focus on a single brand *Safari* and created sub-brands to premiumize its offerings. It is strategically expanding its product portfolio to cater to a wide range of consumer segments (bold colours and prints, young affluent consumers, tech focussed, functional comfort, etc.), ensuring alignment with evolving consumer demands and increasing purchasing power in India. The company's segmented approach to brand positioning enables it to target both mass and premium markets, giving it a robust presence across various price segments. We opine that SII will be in a position to scale its premium brands as well, due to the backing of the *Safari* brand, product innovation and style being the key catalyst for sales. Premium products currently form ~4.5% of sales, which is likely to gain salience.

Exhibit 15: SII's brand portfolio strengthening led by premiumisation strategy

Brand	Year introduced	Primary products	Price range (INR)	Target consumer segment	Positioning
Safari	Flagship, legacy brand (since inception)	Hard luggage, soft luggage, backpacks, duffels, accessories	1,200 – 6,499	Mass & mid-segment families, value-conscious travelers, including students and young professionals	Core value-for-money brand
Safari Select	2022	Premium PC/PP hard luggage, soft luggage, business luggage, duffels, backpacks	5,899 – 10,699	Emerging upwardly mobile consumers, business travelers	Affordable premium, refined aesthetics, quality-led
Urban Jungle	2023	Fashion-led hard & soft premium luggage, backpacks, duffels	2,495 – 10,299	Millennials and Gen Z, style-seeking travelers	Trendy, design-led, tech enabled, premium casual luggage
Genie	2014 (post the acquisition of Genius Leathercraft)	Trendy hard & soft luggage, designer backpacks, school bags	2,000 – 7,999	Young women & girls	Fashion-forward lifestyle premium
Magnum	2014 (via acquisition of Genius Leathercraft)	Affordable hard & soft luggage, basic backpacks, duffels	1,499 – 3,000	Price-sensitive consumers	Stylish entry-price alternative to unorganized market
Genius	2014 (via acquisition of Genius Leathercraft)	School backpacks, lunch bags, kids' trolley bags	600 – 2,000	School-going children & parents	Entry-level, functional school gear

Note: Price is for 20" hard trolley, except for Genius; Source: Company, Elara Securities Research

Exhibit 16: Premium positioning of brands through product innovation



Genie
Small Cabin Suitcase (55 cm...
₹7,999



Safari Select Aerolite Black Cabin Trolley Bag with Laptop Compartment, TSA Lock, Dual wheels and Anti-Theft Zipper
₹.8,499.00 ₹.7,490.00



Urban Jungle
Cabin Laptop Front open
Rs. 6495 Rs. 13999 (Rs. 7504 OFF)
4.3 ★ | 20



Safari SELECT Recoil
Hard Luggage with a unique top-opening expandable design for unparallelled ease of packing a hard-side



Safari SELECT Aeroglide
Super Light-weight hard luggage for the frequent flyer



URBAN JUNGLE Taxi
Distinctive and bold design for those who like to carry their style unabashedly



URBAN JUNGLE Intern
Functional yet stylish backpack construction and with a trendy colour combination



Safari Fable Messenger Bag with Dual compartments - Black
₹.7,489.00 ₹.7,777.00



Safari Whisk 16L Black Formal Backpack with Laptop Sleeve and USB Charging port
₹.3,699.00 ₹.3,740.00
4.75 ★

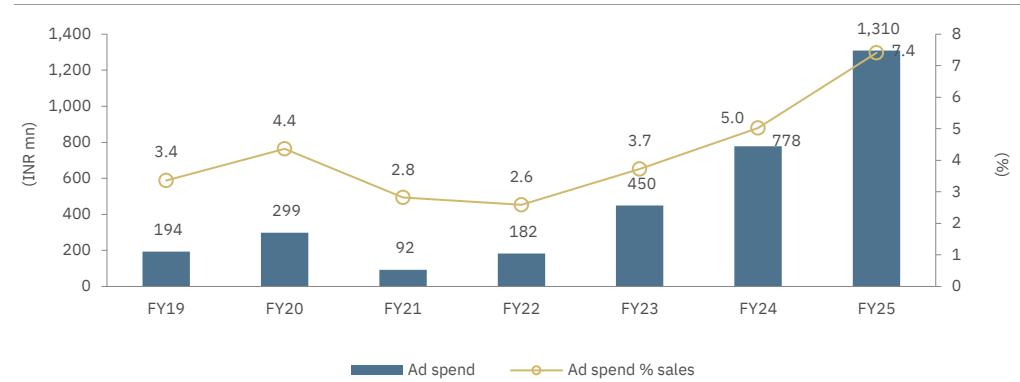


Safari Connect Sling Bag with Adjustable Strap
₹.2,889.00 ₹.2,999.00
4.8 ★

Source: Company, Flipkart, Myntra, Elara Securities Research

With only one core brand to build, SII could optimise marketing spends, create consistent brand messaging, and build strong recall through digital-focused advertising. With focus on premiumisation, the company is spending on creating brand awareness and strengthening recall for *Urban Jungle* and *Genie* brands. Advertisement and marketing spend compounded at a 37.5% CAGR in FY19-25 to reach INR 1,310mn. The spends reached 7.4% of net sales in FY25 from 3.4% in FY19.

Exhibit 17: Higher ad spends for brand premiumisation



Source: Company, Elara Securities Research

Valuations and recommendation

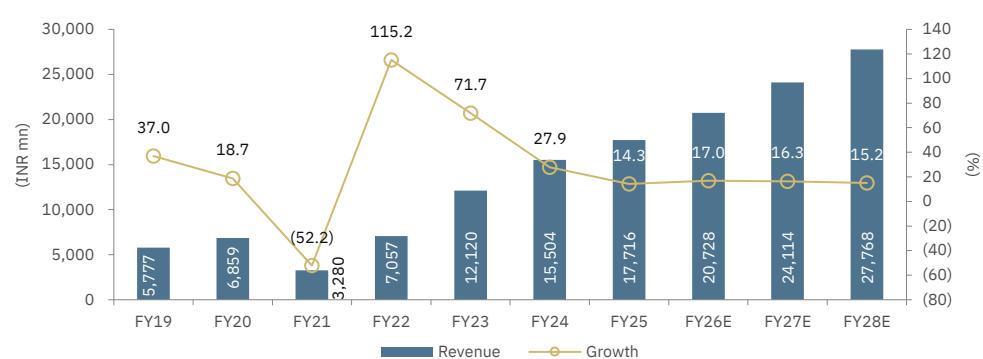
- ▶ Inclusive growth with strong cash flows
- ▶ Initiate with BUY and a TP of INR 3,111
- ▶ Key risks are intense competition and disruption in supply chains

Inclusive growth with strong cash flows

Portfolio expansion and penetration to drive 16.2% revenue CAGR in FY25-28E

Revenue compounded at a 20.5% CAGR in FY19-25 to reach INR 17.7bn despite Covid-related setbacks. This was largely volume-led, leading to capturing higher market share in the luggage industry. With continuous capacity expansion and focused brand premiumization strategy, the company is well-positioned to capture incremental revenue growth and improve market share. We expect SII to post a revenue CAGR of 16.2% in FY25-28E, led by higher volumes in the mass segment driving up market share, increasing thrust on premiumization, capacity expansion in hard luggage maintaining supply chain efficiency and increasing penetration through online and offline channels.

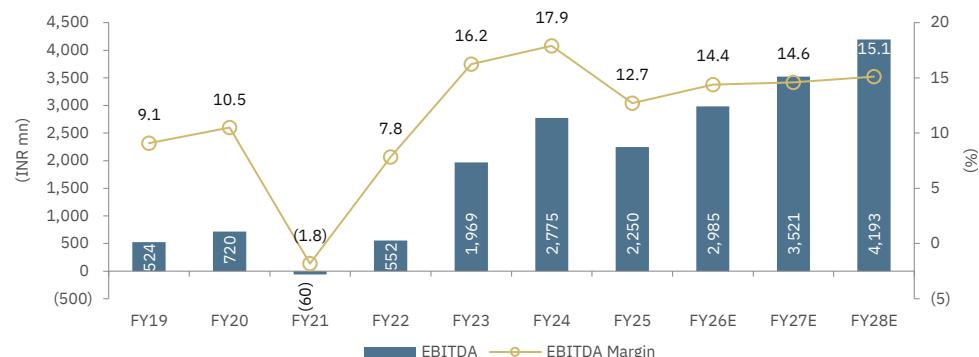
Exhibit 18: Expect revenue CAGR of 16.2% in FY25-28E



Source: Company, Elara Securities Estimate

Expect EBITDA CAGR of 23.1% in FY25-28E, with margin set to improve 240bps

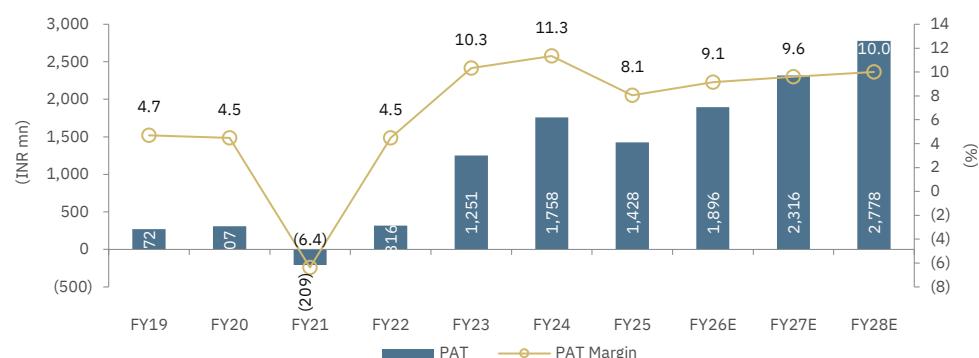
SII has exhibited a remarkable turnaround in operating performance post the pandemic. After reporting negative EBITDA in FY21 (-INR 60mn, -1.8% margin), the company rebounded strongly with EBITDA margin expanding to 16.2% in FY23 and further to 17.9% in FY24. Higher sales growth and better product mix along with cost control measures undertaken during the pandemic led to improved profitability. However, margins began to decline in FY24 to reach 12.7% in FY25 on account of increased competition and inventory glut in the industry, higher promotional expenditure and increased advertisement spends. Looking ahead, expect margins to revert to 15.1% by FY28E and remain range-bound through FY25-28E, supported by higher contribution from premium segments, efficiencies from scale, and rationalized promotional spends while competition continues to remain high.

Exhibit 19: Expect EBITDA to improve, led by improving product mix

Source: Company, Elara Securities Estimate

Expect PAT CAGR of 24.8% in FY25-28E

SII's PAT was hit by COVID (loss in FY21) when travel was restricted. However, it returned to profit in FY22 with profit of INR 224mn. Led by trends such as revenge travel and market share gain since FY20 due to focus on hard luggage, the improved margins flowed to bottomline. PAT margin increased to 11.3% in FY24 from 4.5% in FY20. Even despite increased competitive intensity and correction in EBITDA margin, PAT margin almost doubled to 8.1% in FY25. The improvement was a direct outcome of operating leverage, premiumization, and cost rationalization efforts. Looking ahead, we expect PAT to compound at a 24.8% CAGR in FY25-28E, to INR 2,778mn by FY28E, with margin improving to 10.0%. This consistency in net profitability signals a structurally stronger earnings profile and reflects SII's ability to convert operating efficiency into bottomline resilience.

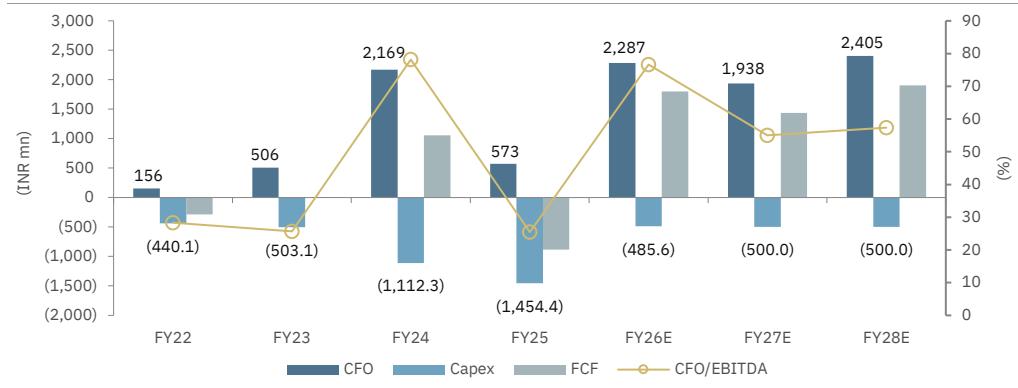
Exhibit 20: Expect PAT margin to reach 10% by FY28E

Source: Company, Elara Securities Estimate

SII to generate INR 5.1bn FCF in FY25-28E

SII generated INR 0.9bn of FCF through FY20-25, led by operating leverage, improvement in working capital cycle and higher profitability. We expect SII to generate INR 5.1bn FCF in FY25-28E, led by limited capex, strong control on working capital requirement and margin improvement. We expect the CFO/EBITDA conversion ratio to reach 57.4% in FY28E, led by higher profitability and operating leverage and tight control on working capital.

Exhibit 21: Expect strong CFO/EBITDA conversion ratio of 57.4% in FY28E

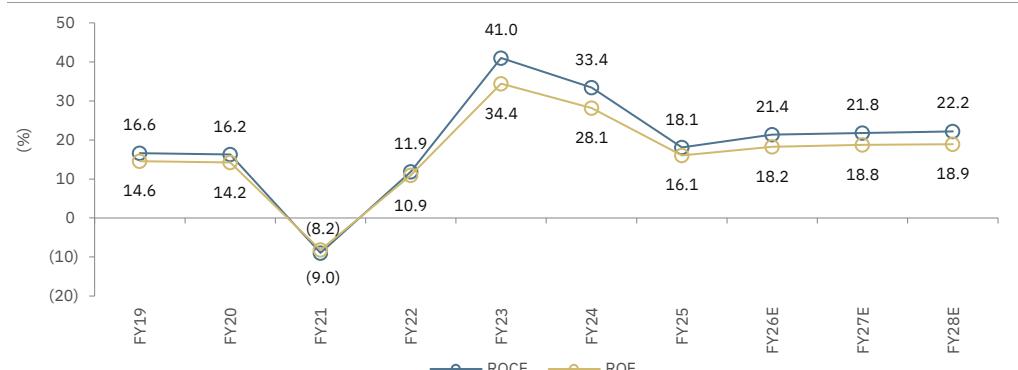


Source: Company, Elara Securities Estimate

Expect ROCE to reach 22.2% by FY28E

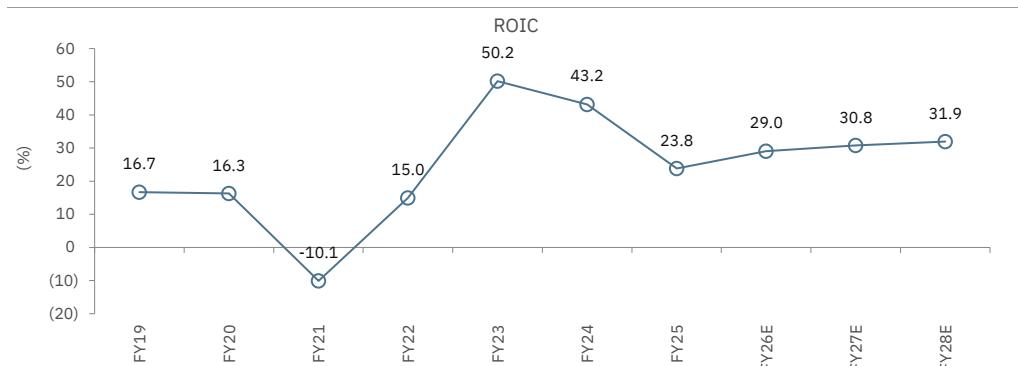
SII has delivered a strong recovery in return ratios post-pandemic, showcasing improved capital efficiency and value creation for shareholders. After a sharp dip in FY21 due to pandemic-related disruptions (ROCE: -9%, ROE: -8.2%), SII staged a sharp turnaround, with ROCE peaking at 41.0% and ROE at 34.4% in FY23, led by margin expansion, asset turnover improvement, and operating leverage. While return ratios are expected to normalize in FY25-28E as the base expands and investments ramp up, they remain well above pre-COVID levels, likely stabilizing at a healthy ROCE of 22.2% and ROE of 18.9% by FY28E. This sustained trajectory reflects a well-capitalized, efficiently run business with strong earnings visibility.

Exhibit 22: Expect ROCE to reach 22.2% by FY28E



Source: Company, Elara Securities Research

Exhibit 23: ROIC set to reach 31.9% by FY28E



Source: Company, Elara Securities Estimate

Initiate with BUY and a TP of INR 3,111

SII presents a compelling multi-year growth opportunity, driven by strong execution in a structurally expanding branded luggage market. The company has demonstrated exceptional agility in capturing India's mass-market upgrade cycle, leveraging cost-efficient hard luggage manufacturing, deepening e-commerce dominance, and strengthening general trade reach. Its ability to gain market share consistently (from 24% in CY21 to 32% in CY24, to feature within top-three branded player in luggage market) underscores the strength of its operating model. With domestic hard luggage manufacturing offering superior margins and supply-chain control, SII is structurally positioned to benefit from import substitution, scale efficiencies, and stronger working capital cycles. SII's premiumisation strategy unlocks a second leg of structural value creation. The company is transitioning from a single-brand, mass-market player to a diversified portfolio, spanning premium and lifestyle categories through *Safari Select, Urban Jungle* and *Genie*. This enhances pricing power, expands addressable market, strengthens retailer economics, and enables mix-led margin expansion.

We believe SII will be in a position to grow at a 16.2% CAGR, despite increasing competition, led by its strategy to gain market share through product innovation, brand premiumisation, increasing penetration and cost efficient supply chain to lead in mass market segments. These drivers provide high earnings visibility and support sustained free cash flow generation. We expect EBITDA margin to improve 240bps in FY25-28E, led by operating leverage from rising capacity utilisation, and disciplined capital allocation. We expect EPS to compound at 24.8% CAGR in FY25-28E and ROCE to reach 22.2% by FY28E.

SII has traded at an average one-year forward EV/EBITDA of 25.6x post COVID, while its peak multiple was 48.4x. At CMP of INR 2,379, the stock currently trades slightly above its mean multiple of 25.6x FY28E EV/EBITDA. We believe the industry is currently recovering from discount and inventory surplus issue and is likely to revert to higher profitability era FY27 onwards. We assign a higher multiple of 35x EV/EBITDA on FY28E estimates (implied P/E multiple of 54.6x) given the 16.2% revenue CAGR, improvement in profitability and free cash flow generation, which would enable SII to remain competitive amid an intensifying industry landscape. **We initiate coverage with a Buy and a TP of INR 3,111, implying a 31% upside.**

Exhibit 24: One-year forward EV/EBITDA



Source: Company, Elara Securities Research

Exhibit 25: One-year forward P/E

Source: Company, Elara Securities Research

Exhibit 26: Valuation

(INR mn)	
FY28E EBITDA	4,193
Target EV/EBITDA (x)	35
EV	1,46,754
Cash (INR mn)	5,105
Debt (INR mn)	221
Equity value (INR mn)	1,51,638
Total no. of shares (mn)	49
TP (INR)	3,111
CMP (INR)	2,379
Upside (%)	31

Source: Company, Elara Securities Research

Key risks

- ▶ **Economic sensitivity:** SII's growth is closely linked to discretionary spending, making it vulnerable to economic slowdowns, recessions, or damaging events (e.g., pandemics), which could reduce consumer demand for luggage products.
- ▶ **Intense competition:** With new entrants and established players intensifying competition in the luggage sector, Safari faces pricing pressures and challenges in maintaining its market share, particularly if global brands expand their presence in India.
- ▶ **Supply chain disruptions:** Reliance on both domestic manufacturing and imported material exposes SII to risks from geopolitical tensions, logistics disruptions, or changes in global trade policies, which could impact production timelines and costs.
- ▶ **Volatility in raw material price:** Fluctuations in the prices of key raw material such as polypropylene (PP) and polycarbonate (PC) could hit SII's margins, especially if these costs rise sharply due to supply chain or market factors.
- ▶ **Brand perception risks:** Maintaining its reputation and consumer trust is crucial in a competitive market. Any decline in product quality or failure to innovate may damage the brand's equity and customer loyalty.
- ▶ **Change in consumer preference towards soft luggage:** SII has been increasingly investing in hard luggage riding on consumer preference and increasing demand and continues to outsource soft luggage. Though the company's business model is very agile, in event of reversal of consumer preference towards soft luggage, the company could face risk of supply chain management.

Company Background

Safari Industries (India) (SII), incorporated in 1980, is a rapidly growing player in the Indian luggage industry, specializing in the manufacturing and marketing of luggage, backpacks, and travel accessories. The company operates through a multi-channel distribution network with >8,800 customer touchpoints, including hypermarkets, e-commerce platforms, multi-brand outlets, exclusive stores, canteen stores department (CSD), direct-to-consumer (D2C) channels, exports, and institutional sales. SII's hard luggage is manufactured in-house at its facility in Halol, Gujarat, and the company is currently establishing a new greenfield manufacturing plant in Jaipur. The sourcing of soft luggage is managed through external suppliers across China, Bangladesh, and India, allowing the company to maintain flexibility and cost efficiency. SII offers an extensive product portfolio with >800 SKUs across hard and soft luggage categories, including backpacks, laptop bags, rucksacks, school bags, and fashion bags. The company's brand portfolio is led by its flagship brand, *Safari*, and is complemented by other brands such as *Urban Jungle*, *Genie*, *Magnum*, and *Genius*, catering to various price segments. With its well-diversified product mix, strategic sourcing, and expanding manufacturing capabilities, *Safari* is positioned as one of the fastest-growing luggage brands in India, supported by its broad distribution network and comprehensive product offering.

Board of Directors and management

Name	Designation	Key expertise
Sudhir M Jatia	Chairman & Managing Director	Mr. Sudhir Jatia is a Commerce Graduate from Bombay University. He acquired Safari Industries (India) in 2011 and was appointed as its Managing Director from 18th April 2012. Mr. Jatia has a 22-year-old association and experience in India Luggage industry.
Piyush Goenka	Non-Executive Director	Mr. Piyush Goenka has 17 years of experience in private equity investing and other financial services. He is currently a partner at Tano Capital, an independent mid-market Private Equity Fund Manager. Founded in 2006, Tano Capital manages >USD 200mn across two funds. Mr. Goenka is responsible for making investments across many sectors and has led most investments in consumer, pharmaceuticals and financial services. By qualification, Mr. Goenka is an MBA and CFA.
Vinaya Sampath	Non-Executive & Independent Director	Mrs. Vijaya Sampath has over 30 years of experience and is currently 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. She has been General Counsel and Company Secretary for the Bharti group. Her <i>forte</i> is Corporate and Commercial Law, and her experience includes M&A, joint ventures, large outsourcing and commercial contracts, high-end litigation strategy and intellectual property agreements. She has also dealt with Indian and overseas regulators in telecom, capital markets, anti-trust and foreign investment.
Rahul Kanodia	Non-Executive & Independent Director	Mr. Rahul Kanodia has >25 years of professional experience. He has been the Chief Architect for repositioning and transforming Datamatics. Recognizing his contribution, in 2014, he was presented with 'CEO of the Year Award' for his exemplary leadership amongst organizations from across 41 Asian countries. He 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) and is a member of NASSCOM's Regional Council. He also serves on the Advisory Board of Columbia University's India Business Initiative (New York), and the Client Advisory Board of Citi Commercial Bank Asia (Hong Kong). Mr. Kanodia holds an MBA from Columbia University (USA), with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management. He has two Bachelor's degrees from H. R. College (India), with specialization in Finance & Accounting, and Babson College (USA), with specialization in Management Information Systems.
Sumeet Nagar	Non-Executive Director	Mr. Sumeet Nagar is founder of Malabar Investments, an investment firm focusing on long-term opportunities in small- and mid-sized companies in India. He has 17 years of experience in portfolio management and investment analysis. He also has six years of experience in operating roles. Mr. Nagar previously was a consultant at McKinsey & Company, where he was a founding member of its dedicated private equity group and advised several private equity and hedge fund clients on investments in over 20

countries across six continents. Mr. Nagar is a graduate of the Indian Institute of Technology, Mumbai and earned an MBA with Honors from the Wharton School – University of Pennsylvania.

Sridhar Balakrishnan	Non-Executive & Independent Director	Mr. Sridhar Balakrishnan has a diverse experience of working across the construction products industry, media and FMCG at the leadership level. During the course of his career, he has lead multiple functions in India and international geographies. He has spent the majority of his 29 years of career in the FMCG industry in different roles handling sales, business finance, and supply chain for India to managing P&L across South Asia, Middle East and Africa. His last stint was as Managing Director and CEO of ACC. He was also a President and Head Distribution at Star India Private and Chief Operating Officer, South Asia, Middle East and Africa at Marico.
Aseem Dhru	Non-Executive & Independent Director	Mr. Aseem Dhru is a member of the Institute of Chartered Accountants of India (ICAI) and has been certified by the Institute of Cost and Works Accountants of India (ICWA). He is the Managing Director and Chief Executive Officer of SBFC Finance. He has more than 25 years of experience in the banking industry and has been associated with SBFC Finance since 28th September 2017. Prior to joining SBFC Finance, he was associated with HDFC Bank as a group head – business banking working capital and retail agri business, HDFC Securities as Managing Director and Chief Executive Officer and was a director on the board of HDB Financial Services. Currently, he is also an Independent Director of Rossari Biotech and a Director of SBFC Home Finance Private. He holds a Bachelor's in Commerce from Gujarat University.

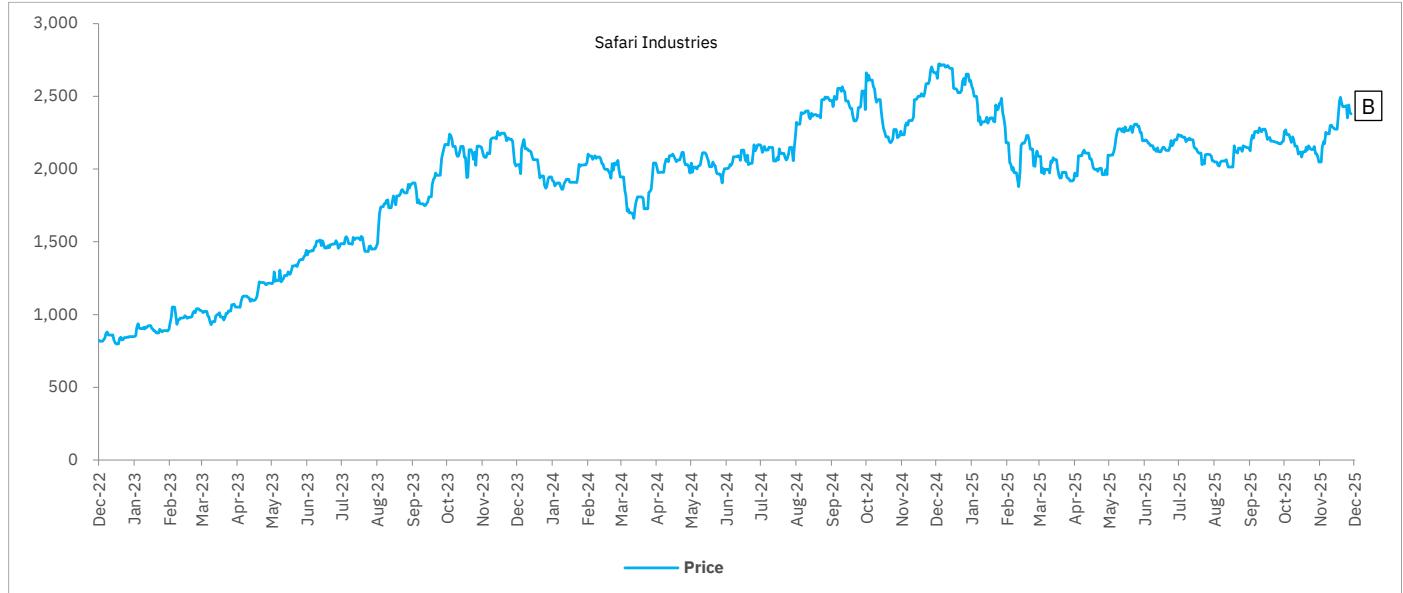
Source: Company, Elara Securities Research

Exhibit 27: SII - Journey

Year (FY)	Particulars
1974-2011	Incorporated in 1974, SII was started with limited SKUs, primarily catering to adult customers and family travel needs. A factory was set up at Halol, Vadodara, India.
2012-2013	Mr. Sudhir Jatia acquired majority stake (77%) in May 2012. Focus was on product rationalization and strategy realignment, elimination of non-performing SKUs
2014-2015	Foray into PC manufacturing Launched polycarbonate luggage and new product categories, e.g., laptop bags. Introduction of SKUs in the CSD segment e-commerce sales were started First office in China was opened
2016-2017	Acquisition of Genius Magnum, Activa, Orthofit, DB&H, Egonauts, Gscape and Genie Launched backpacks under <i>Safari</i> brand and school bags under Genius and Genie brands Opened second office in China
2018-2019	SAP was implemented in July 2017 Warehouses were opened in Mumbai and Gurgaon First TV advertisement of Safari backpacks in March 2019
2020-2021	Listed on Stock exchange India sourcing of raw materials and components of soft luggage, backpacks Expansion of manufacturing capacity for PC luggage, renovation and construction of modern warehouse at Halol Plant Remodeled and automated operations at mother warehouse in Bhiwandi
2021-2022	A second unit was commissioned for making PP luggage in 2022 Established an outsourced captive manufacturing facility in Bangladesh Kickstand the International Business Division as part of its diversification strategy.
2023-2024	Lease deed signed for setting up an integrated greenfield manufacturing facility at Jaipur
2024-2025	The Jaipur facility started operations

Source: Company, Elara Securities Research

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
05-Dec-2025	Buy	3,111	2,379

Guide to Research Rating

BUY (B) Absolute Return >+20%

ACCUMULATE (A) Absolute Return +5% to +20%

REDUCE (R) Absolute Return -5% to +5%

SELL (S) Absolute Return < -5%

Notes

8 December 2025

VIP upgrade – Checked-in for growth

VIP Industries (VIP IN) stands at an inflection point after a challenging period marked by COVID-19 pandemic, intensifying competition and lapses in internal execution. VIP is among India's leading luggage manufacturers with iconic brands such as *VIP*, *Skybags*, *Aristocrat* and *Carlton London* and deep distribution reach, and is now positioning itself for a multi-year turn around. The company's renewed focus on brand premiumization, product innovation, channel transformation and process improvement along with change in ownership (providing strategy leg) presents a credible roadmap to drive growth and profitability. VIP with its strong brand portfolio continues to be a dominant player in the industry, enabling strong support to reset its challenging journey. In the longer-term, we believe VIP offers meaningful upside as operational resets take hold.

Ownership shift, key catalyst for a structural transformation: The Piramal family's decision to divest up to 32% of its shareholding to a Multiples-led consortium signifies a decisive shift from legacy promoter-led stewardship to institutional, performance-driven governance. We believe this transition will introduce sharper accountability, tighter execution discipline, and stronger strategic direction.

Unlocking the brand moat: VIP with its well-diversified brand portfolio and strong brand recall strategically caters to the entire spectrum of consumer preferences and price segments from mass to premium. We believe a focused reset on premium identity, product innovation, increased freshness salience and technology-led product differentiation provides a credible path to restoring brand authority, improving realizations and supporting margin recovery, thus enabling VIP to reclaim leadership in the formalizing luggage market.

From chaos to control – Rebuilding pricing power and channel discipline: VIP intends to build a balanced omnichannel model, with e-commerce stabilizing at ~30-35% of revenue. It is shifting towards premium products, data-led customer segmentation, performance-marketing efficiency, and strict MOP enforcement to reinstate brand authority. Channel reset, controlled online scale and profitable offline growth position VIP to restore ASPs, enhance margin, and drive durable turnaround trajectory.

Initiate with BUY and a TP of INR 430: We assign 26x FY28E EV/EBITDA to VIP, a discount of ~30% versus Safari Industries, given near-term restructuring headwinds. At our target multiple, we arrive at a TP of INR 430, implying an upside of 25% on current market price. At our TP of INR 430, the stock would trade at an implied EV/sales of 2.6x FY28E, at par with its current one-year forward multiple. The stock could get re-rated to its mean multiple of 3.9x EV/sales, with market share gain and return to profitability. We **initiate with BUY** – Any decline in the stock price could be used as an opportunity to buy for long-term gains. Key catalysts are higher-than-expected growth, improvement in profitability and working capital cycle. Key risks are any failure to regain market share, intensifying competition and sharp volatility in raw material prices.

Key Financials

YE March	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	22,450	21,784	19,642	21,785	24,668
YoY (%)	7.8	(3.0)	(9.8)	10.9	13.2
EBITDA (INR mn)	1,936	823	(982)	1,525	2,467
EBITDA margin (%)	8.6	3.8	(5.0)	7.0	10.0
Adj PAT (INR mn)	285	(766)	(2,545)	(157)	622
YoY (%)	(84.5)	(368.6)	232.2	(93.8)	(496.0)
Fully DEPS (INR)	2.0	(5.4)	(17.9)	(1.1)	4.4
RoE (%)	4.3	(11.8)	(51.7)	(4.4)	16.5
RoCE (%)	9.3	(3.3)	(25.0)	3.5	15.6
P/E (x)	171.9	(64.0)	(19.3)	(312.4)	78.9
EV/EBITDA (x)	29.1	68.5	(57.4)	37.0	22.9

Note: Pricing as on 05 December 2025; Source: Company, Elara Securities Estimate

Rating: **Buy**Target Price: **INR 430**Upside: **25%**CMP: **INR 345**

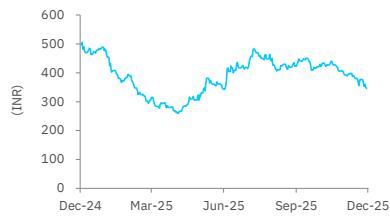
As on 05 December 2025

Key data

Bloomberg	VIP IN
Reuters Code	VIPI.NS
Shares outstanding (mn)	142
Market cap (INR bn/USD mn)	49/545
EV (INR bn/USD mn)	56/627
ADTV 3M (INR mn/USD mn)	205/2
52 week high/low	515/248
Free float (%)	49

Note: as on 05 December 2025; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Promoter	51.7	51.7	51.7	49.7
% Pledge	0.0	0.0	0.0	0.0
FII	7.4	7.7	7.3	7.0
DII	13.3	12.8	13.8	16.1
Others	27.5	27.8	27.2	27.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	5.7	4.7	6.1
VIP Industries	(18.4)	0.8	(30.6)
NSE Mid-cap	4.8	3.2	3.4
NSE Small-cap	(2.6)	(4.6)	(10.0)

Source: Bloomberg

Prerna Jhunjhunwala

Consumer Discretionary, Footwear, Textile

+91 22 6164 8519

prerna.jhunjhunwala@elaracapital.com

Associates

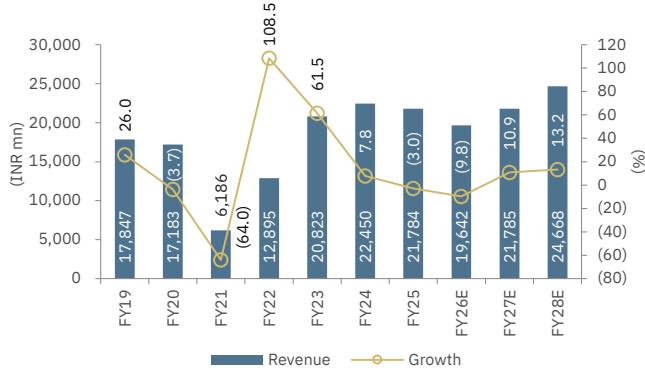
Nikhil Kamble

Dheeraj Thakur



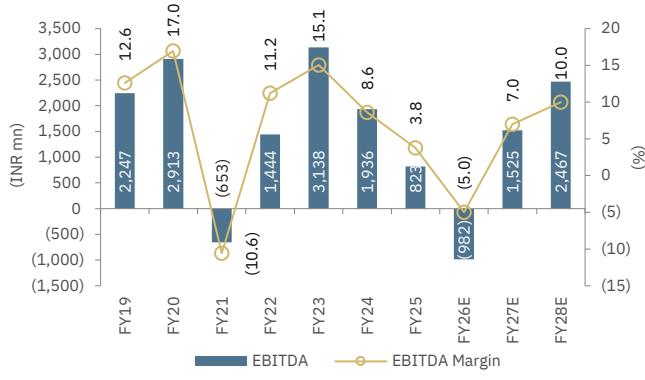
Story in charts

Exhibit 1: Expect revenue CAGR of 4.2% in FY25-28E



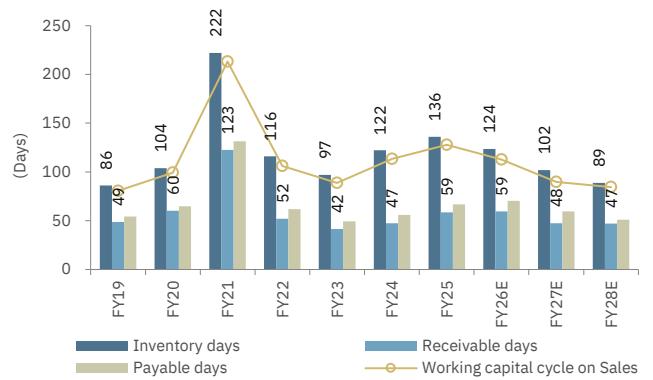
Source: Company, Elara Securities Estimate

Exhibit 3: Expect EBITDA margin to improve to 10.0% in FY28E



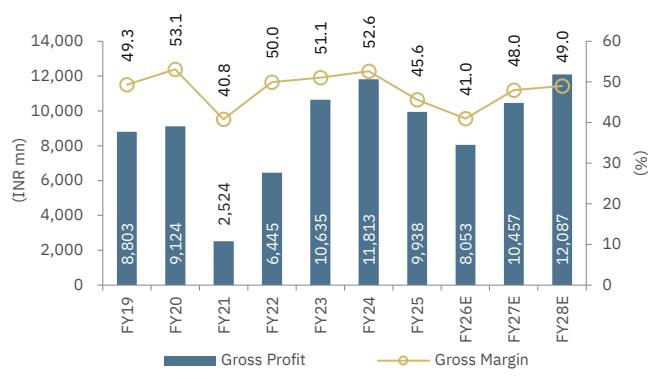
Source: Company, Elara Securities Estimate

Exhibit 5: WC days expected to improve



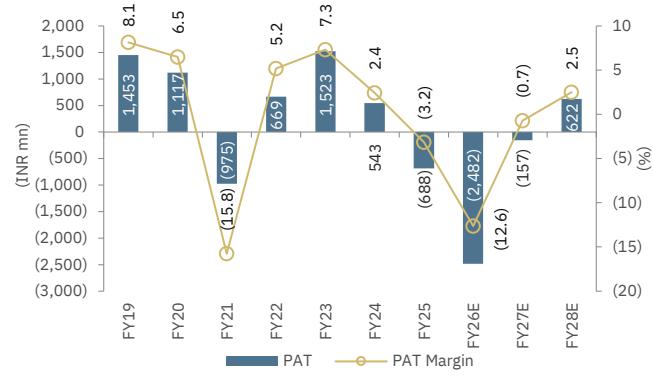
Source: Company, Elara Securities Estimate

Exhibit 2: Gross margin set to gradually reach 49.0% in FY28E



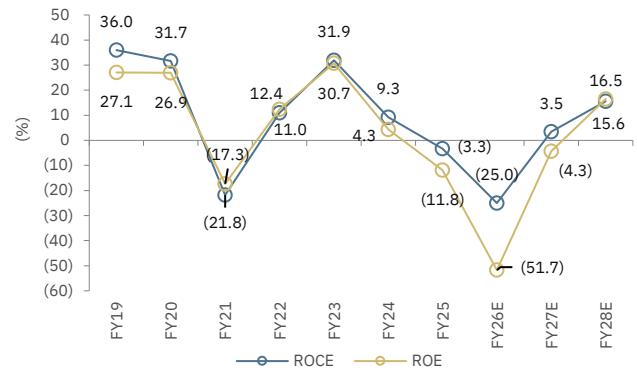
Source: Company, Elara Securities Estimate

Exhibit 4: PAT set to reach INR 622mn in FY28E



Note: ROCE adjusted for goodwill; Source: Company, Elara Securities Estimate

Exhibit 6: Expect ROCE to reach 15.6% in FY28E



Source: Company, Elara Securities Estimate

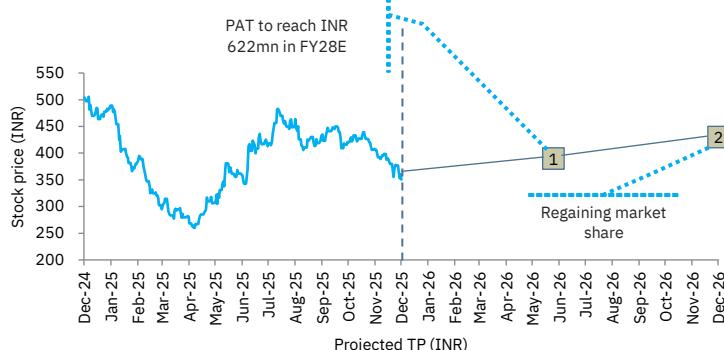
Investment Rationale

Balanced omnichannel model with strict MOP enforcement, strong traction in premium products on e-commerce and EBO expansion should drive **4.2% revenue CAGR in FY25-28E**.

Leadership change marks a reset from discount-led volume to disciplined execution. With liquidation almost completed and pricing stabilizing, tighter inventory control, SKU rationalization and premium hard-luggage innovation to aid operational recovery

A sharper premium segmentation strategy across brands, and faster design refresh cycles should enable an improvement in EBITDA margin by ~287bps in FY25-28E, driving 44.2% CAGR in EBITDA.

Valuation Triggers



Valuation triggers

- PAT to reach INR 622mn in FY28E
- Regaining market share

Our assumptions

- Expect revenue CAGR of 4.2% in FY25-28E, driven by omnichannel strategy and premiumization
- Premium mix improvement and pricing discipline, should help EBITDA margin expand by 287bps to 10.1% by FY28E.

Key risks (downside/upside)

- Reliance on imported material heightens vulnerability to geopolitical and logistics disruptions.
- Sharp increase in raw material costs impacting margins.
- Increase in competitive intensity

Valuation overview

INR (mn)	
FY28E EBITDA	2,467
Target EV/EBITDA (x)	26
EV	64,137
Cash (INR mn)	500
Debt (INR mn)	3,577
Equity value (INR mn)	61,060
Total no. of shares (mn)	142
TP (INR)	430
CMP (INR)	345
Upside (%)	25

Source: Elara Securities Estimate

One-year forward EV/sales



Source: Bloomberg, Company, Elara Securities Research

Industry trends and macro factors

- e-commerce driven consolidation and D2C disruption are reshaping category economics, compressing entry price points and accelerating design-led portfolio refresh cycles.
- Strong domestic aviation growth, rising disposable incomes, and urban lifestyle upgrades continue to expand the luggage category beyond functional use into lifestyle and fashion segments.

Market position and competitive landscape

- VIP's position weakened as discount-led strategy diluted its premium identity and eroded pricing power.
- Safari, American Tourister along with aggressive D2C players intensified competition with design-led premium offerings and disruptive pricing.

Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	22,450	21,784	19,642	21,785	24,668
Gross Profit	11,813	9,938	8,053	10,457	12,087
EBITDA	1,936	823	(982)	1,525	2,467
EBIT	941	(368)	(2,289)	268	1,171
Interest expense	550	732	748	687	621
Other income	118	109	216	218	247
Exceptional/ Extra-ordinary items	258	78	63	-	-
PBT	766	(912)	(2,758)	(201)	797
Tax	223	(224)	(276)	(44)	175
Minority interest/Associates income	-	-	-	-	-
Reported PAT	543	(688)	(2,482)	(157)	622
Adjusted PAT	285	(766)	(2,545)	(157)	622
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	6,779	6,162	3,679	3,522	4,019
Minority Interest	-	-	-	-	-
Trade Payables	4,069	3,863	3,651	3,414	3,447
Provisions & Other Current Liabilities	1,499	1,469	1,550	1,528	1,510
Total Borrowings	5,328	4,153	4,321	3,921	3,577
Other long term liabilities	2,991	2,917	2,914	2,791	2,686
Total liabilities & equity	20,666	18,564	16,116	15,176	15,240
Net Fixed Assets	2,085	1,950	1,787	1,623	1,455
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Business Investments / other NC assets	4,258	4,498	4,099	3,486	2,868
Cash, Bank Balances & treasury investments	474	481	330	215	400
Inventories	9,157	6,984	6,221	5,837	6,062
Sundry Debtors	3,276	3,683	2,670	2,961	3,353
Other Current Assets	1,417	967	1,010	1,054	1,100
Total Assets	20,666	18,564	16,116	15,176	15,240
Cash Flow Statement	FY24	FY25	FY26E	FY27E	FY28E
Cashflow from Operations	(1,317)	2,922	1,091	1,628	1,940
Capital expenditure	(1,000)	(431)	(213)	(230)	(260)
Acquisitions / divestitures	-	-	-	-	-
Other Business cashflow	240	(34)	-	-	-
Free Cash Flow	(2,077)	2,456	877	1,398	1,680
Cashflow from Financing	1,961	(2,449)	(1,029)	(1,513)	(1,495)
Net Change in Cash / treasury investments	(116)	7	(152)	(114)	185
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share (INR)	2.0	-	-	-	0.9
Book value per share (INR)	47.8	43.4	25.9	24.8	28.3
RoCE (Pre-tax) (%)	9.3	(3.3)	(25.0)	3.5	15.6
ROIC (Pre-tax) (%)	9.8	(3.4)	(26.2)	3.6	16.2
ROE (%)	4.3	(11.8)	(51.7)	(4.4)	16.5
Asset Turnover (x)	12.5	10.8	10.5	12.8	16.0
Net Debt to Equity (x)	0.7	0.6	1.1	1.1	0.8
Net Debt to EBITDA (x)	2.5	4.5	(4.1)	2.4	1.3
Interest cover (x) (EBITDA/ int exp)	3.5	1.1	(1.3)	2.2	4.0
Total Working capital days (WC/rev)	147.7	111.9	88.6	90.3	93.7
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	171.9	(64.0)	(19.3)	(312.4)	78.9
P/Sales (x)	2.2	2.3	2.5	2.3	2.0
EV/ EBITDA (x)	29.1	68.5	(57.4)	37.0	22.9
EV/ OCF (x)	(42.8)	19.3	51.7	34.6	29.1
FCF Yield	-3.7	4.4	1.6	2.5	3.0
Price to BV (x)	7.2	8.0	13.3	13.9	12.2
Dividend yield (%)	0.6	0.0	0.0	0.0	0.3

Note: Pricing as on 05 December 2025; Source: Company, Elara Securities Estimate

We expect revenue CAGR of 4.2% in FY25-28E

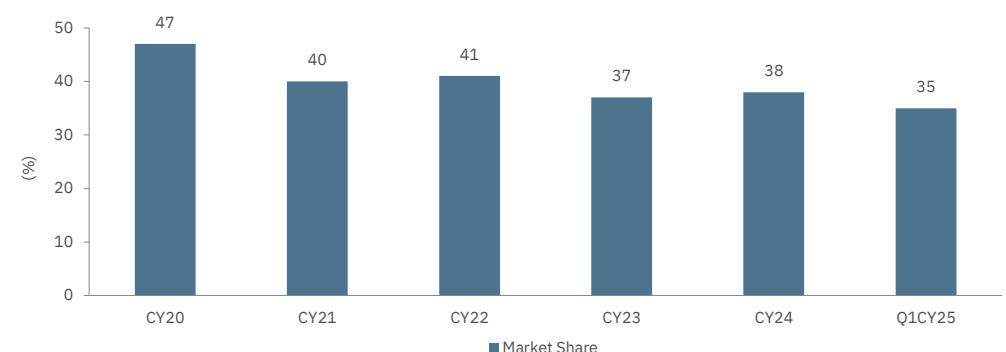
VIP upgrade – Checked-in for growth

- ▶ Ownership shift, key catalyst for a structural transformation
- ▶ Unlocking the brand moat
- ▶ From chaos to control: Rebuilding pricing power and channel discipline

Ownership shift, key catalyst for a structural transformation

The strategic ownership transition marks a pivotal turning point for VIP and sets the foundation for a comprehensive organizational reset. The Piramal family's decision to divest up to 32% of its shareholding to a Multiples-led consortium, alongside prominent investors Aakash Bhansali and Mithun Sacheti, and the mandatory open offer for an additional 26% stake at INR 388 per share (potential combined stake of ~58% and deal size of ~INR 32bn), signifies a decisive shift from legacy promoter-led stewardship to institutional, performance-driven governance. We believe this transition will introduce sharper accountability, tighter execution discipline, and stronger strategic direction under private-equity ownership, with Dilip Piramal moving into a non-executive advisory role as Chairman Emeritus.

Exhibit 7: Ownership shift, a catalyst to reverse market share drop



Note: Market share among top three companies; Source: Company, Elara Securities Research

VIP is a leader in the organized luggage market in India, being the largest luggage manufacturer and retailer of luggage, backpacks and handbags and commanding a significant market share. The company has cemented its leadership with decades of expertise, a strong distribution network, and an extensive brand portfolio. Despite losing market share (among top three players) from 50%+ pre-COVID to 35% in FY25, the company continues to maintain a dominant position in the industry.

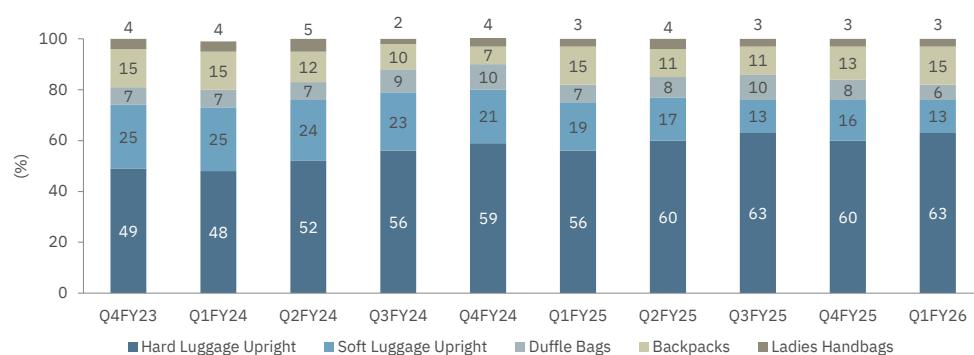
In our view, the new management focus will be centered on rebuilding the business through improved pricing governance, rationalized SKU architecture, faster product innovation cycles, and a more scientific go-to-market strategy. Stronger supply-chain control, enhanced inventory planning and forecasting, and a greater push toward in-house manufacturing and hard luggage production should structurally strengthen margin and reduce dependence on liquidation-based volumes. The renewed emphasis on premiumization, brand experience, and digital acceleration – supported by a multi-channel distribution network of 14,000+ retail touchpoints and 400+ EBOs – is expected to restore VIP's aspirational positioning and drive deeper penetration across tier-2 and tier-3 markets. We believe this marks a shift from VIP's historical positioning as a legacy luggage manufacturer toward becoming a modern lifestyle-mobility brand, equipped with stronger product relevance, improved profitability, and more durable long-term growth fundamentals. In our view, this structural reset provides a multi-year rerating opportunity as VIP transitions from reactive cost correction to proactive value creation.

Re-fuel, re-route, re-launch: VIP 2.0 takes flight

A checkered past...

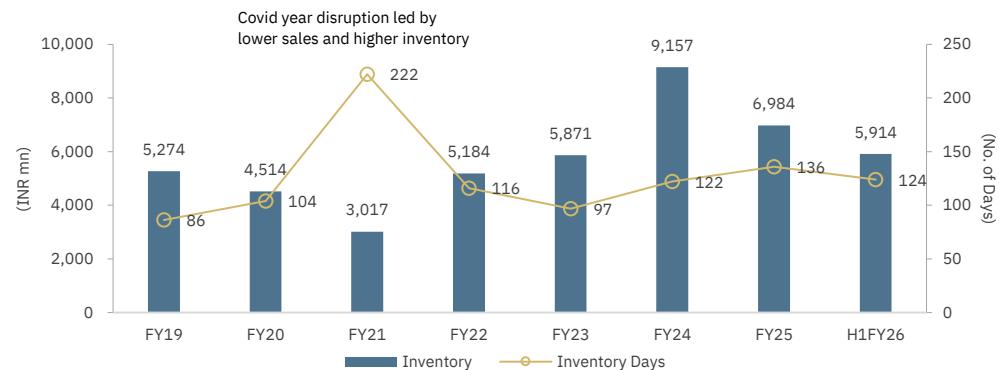
FY20-25 was one of the most turbulent cycles in VIP's history. After the pandemic led to a severe demand collapse in FY21-22, the company staged a sharp recovery in FY23, which became its most profitable year. However, instead of consolidating momentum, VIP faced a steep reversal in FY24-25 due to intensifying competition and internal execution lapses. The company misjudged consumer preference shift from soft luggage to hard luggage and committed ~INR 2.0bn of capex, with ~70% directed toward soft luggage, just as consumer preferences were rapidly pivoting toward premium and durable polycarbonate designs. This delayed response resulted in a massive inventory overhang, pushing total inventory to ~INR 9.2bn in FY24, including ~INR 3.4bn in finished goods, primarily slow-moving soft luggage. With steep discounting and aggressive efforts to reduce inventory, VIP was in a position to reduce the slow moving inventory to below INR 1bn in FY25. With inventory write-off of INR 676.5mn in H1FY26, it appears that slow moving inventory has largely been provided and is over. This, we believe, marks the beginning of higher salience of freshness in the inventory and improvement in profitability.

Exhibit 8: Decrease in salience of soft luggage ...



Source: Company, Elara Securities Research

Exhibit 9: ... led to inventory pile-up



Source: Company, Elara Securities Research

Exhibit 10: Inventory liquidation

Quarter	Inventory position / reduction	Key commentary	Impact on margins
Q4FY24	Inventory peaked at ~INR 9.0bn; INR 3.0bn slow-moving soft luggage	Inventory at 6.3mn units; heavy soft-luggage overbuild	Set stage for GM compression due to clearance requirement
Q1FY25	INR 1.2bn inventory reduction; 1.3mn units cleared	Soft-luggage liquidation started	-510bps gross margin drop due to low-margin clearance
Q2FY25	Total INR 1.7bn reduced in H1; soft luggage upright cut by INR 0.8bn	Discounting/bundling-led liquidation	~-100bps YoY GM decline due to liquidation mix + pricing war
Q3FY25	Inventory reduced to INR 6.9bn; 4.7 mn units inventory	Old inventory meant for liquidation's gross margin only 15-20% versus company average 47%	Sequential improvement +150bps but margins still depressed
Q4FY25	Closing inventory INR 7.0bn; reduction of INR 2.0bn in FY25; 2.5 mn units cleared	Warehouse reduction 0.7mn sqft; INR 50mn provision	Margin drag bottoming out as discounting intensity eases
Q1FY26	Inventory reduction of INR 200-220mn net; INR 350mn including provision of INR 150mn; 15-18% old stock remaining	Cleanup expected to finish by Q2FY26	Minor one-time GM drag from provision; recovery visibility improves
Q2FY26	Inventory provision at INR 547mn, total inventory in Q2FY26 is INR 5.9bn.	Inventory provision likely ended	GM impacted due to inventory provision

Source: Company, Elara Securities Research

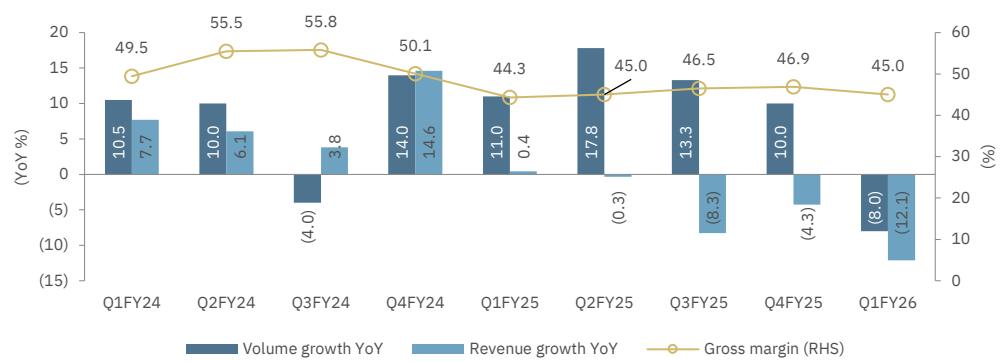
The mismatch between production and market demand severely disrupted efficiency, particularly at the Bangladesh facility, which had historically been a low-cost advantage but rapidly turned into an underutilized cost burden. Utilization dropped sharply, forcing a reduction in manpower by ~4,000 employees, pausing soft luggage production in Q4FY24, and scaling down monthly upright capacity from 250,000 units to ~90,000 units in FY25. Revenue from the Bangladesh subsidiary fell 8% in FY24 to INR 6.1bn and further ~50% in FY25 to INR 3.1bn, while fixed overheads, warehousing requirements, and freight expenses ballooned due to excess inventory. These inefficiencies, compounded by rising debt and higher interest costs, contributed meaningfully to margin compression.

Exhibit 11: Cost pressures mounted in FY20-25

Cost as a percentage of sales (%)	FY20	FY22	FY23	FY24	FY25
Employee cost	12.2	14.6	11.3	12.0	10.3
Manufacturing expenses	2.5	3.6	2.8	3.1	2.9
Admin & other expenses	10.1	9.7	9.5	11.3	13.5
Forwarding and Octroi	5.9	8.1	7.0	9.3	11.1
Advertisement	5.3	2.8	5.4	8.3	6.4
Operating expenses	36.1	38.8	36.0	44.0	44.2

Source: Company, Elara Securities Research

Meanwhile, the market landscape changed dramatically with the entry of many heavily funded D2C brands that scaled aggressively through e-commerce channels. Heavy discounting in online channels triggered a structural price war, pushing opening price points (OPP) to unsustainable levels. The shift in consumer preference from soft luggage (OPP ~INR 2,500) to hard luggage (OPP ~INR 1,499) accelerated price collapse at the entry end of the category, with cabin trolleys selling for sub-INR 1,100 during festival season deals. This fundamentally reshaped industry pricing architecture and reduced the profit pool for established brands. Gross margins fell to 45.6% in FY25 (from 52.6% FY24) and EBITDA margin collapsed to 3.8%, while aggressive price cuts and clearance-led sales led to -3% revenue decline in FY25 and -12% in Q1FY26, despite 11% volume growth, widening the divergence between value and volume metrics.

Exhibit 12: Gross margin down given discount-led volume growth

Source: Company, Elara Securities Research

Simultaneously, deep discounting and pricing distortion on platforms such as Big Billion Days and GOAT sales triggered serious channel conflict, with offline trade threatening to halt purchases, forcing management to implement minimum operating price (MOP) to protect brand equity and normalize pricing. Volume momentum weakened sharply in H1FY26 and following a sudden drop in e-commerce secondary sales, leading to primary order cuts and revenue contraction. Political and labor unrest in Bangladesh created additional uncertainty (although EPZ operations were stable), while the fire accident in Q4FY23 forced accelerated restructuring at a time when demand trends were already turning against soft luggage. Collectively, these factors eroded VIP's premium identity and allowed peers such as Safari and American Tourister to dominate the hard-luggage segment and capture consumer mindshare.

Exhibit 13: Sharp decline in ASP led by inventory liquidation

Source: Company, Elara Securities Research

...now turning a corner

From survival to revival – Why FY26 could be the inflection year: Against this backdrop, the ownership shift represents a structural inflection point for VIP, but the success of the turnaround will ultimately depend on disciplined execution rather than capital change alone. We believe the true value unlock will come when VIP addresses long-standing operational and strategic weaknesses and demonstrates consistent improvement across planning, pricing, product, and profitability levers.

Non-negotiables for a durable recovery

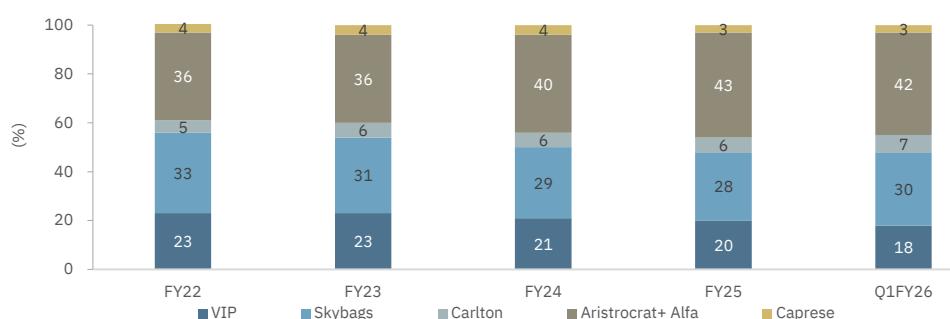
- ▶ We believe VIP must rebuild credibility by tightening inventory control and improving forecasting accuracy to avoid repeating the soft-luggage overbuild cycle that led to heavy liquidation and significant margin erosion. Sharper SKU rationalization and faster decision cycles are essential to restore planning efficiency and working-capital stability.
- ▶ Enforcing MOP (minimum operating price) consistently is critical to rebuild brand authority and resolve channel conflicts created by deep discounting in e-commerce. A more balanced channel mix with greater offline and EBO contribution will support ASP improvement and repair premium customer perception.

- ▶ VIP needs to accelerate innovation in hard luggage and premium lifestyle offerings while reducing dependence on structurally declining soft-luggage categories. Faster design refresh cycles and sharper brand segmentation across *Carlton*, *VIP* and *Skybags* are crucial to regain competitiveness versus Safari and American Tourister.
- ▶ With liquidation nearly complete and discounting normalizing, FY26 offers a realistic opportunity for margin recovery, with gross margin expected to move toward historical levels of 50%+, driven by premium mix, pricing discipline and capacity utilization gains. Delivering consistent execution is critical to achieving double-digit EBITDA and supporting valuation re-rating.
- ▶ While Bangladesh operations have recently turned profitable, recurring labor and geopolitical pressures underscore structural vulnerability. With reducing salience of soft luggage, scaling down or closing the capacities in Bangladesh and resorting to outsourcing could increase management focus on operational and brand improvement and free up capital for brand building. Gradually shifting incremental capacity to India could strengthen supply security, reduce external risk exposure, and leverage domestic manufacturing incentives, thus improving margin sustainability.
- ▶ Elevating design, retail experience and digital engagement will be key to rebuilding aspirational equity. Scaling EBOs through an asset-light franchise model and expanding airport footprint could enhance visibility and drive premium-led margin-accretive growth.
- ▶ The ongoing BCG-led transformation program will structurally strengthen margin delivery through sharper cost discipline and supply-chain efficiency, enabling VIP to reinvest behind design-led growth and premiumization to capture stronger consumer mindshare.
- ▶ Strengthening of middle-management capability, especially across e-commerce and channel leadership, will materially improve execution agility and channel productivity, positioning VIP to accelerate volume growth from online channels and drive faster portfolio refresh in a competitive market.

Unlocking the brand moat

VIP's brand equity weakened in FY24-25 as the company shifted from premium value creation to discount-led volume defence, leading to deep erosion of pricing power and aspirational positioning. Heavy reliance on clearance-based growth pushed flagship labels such as *VIP* and *Skybags* into mass-value territory, compressing ASPs and triggering channel conflict with offline partners. Slow response to the market shift toward hard luggage and premium polycarbonate design further damaged competitiveness, while discounting at e-commerce events distorted price benchmarks and diluted brand loyalty. As a result, VIP lost differentiation and ceded premium mindshare to Safari and American Tourister, despite previously holding category leadership.

Exhibit 14: Increasing share of mass segment brand – Aristocrat + Alfa



Source: Company, Elara Securities Research

In response, VIP is now realigning around premiumisation, innovation and disciplined pricing architecture, rather than discount-based volume. A key differentiator is the rollout of the industry-first "Find Me" smart-tag technology across luggage lines starting Q1FY26, positioning the brand on functional and tech-led innovation rather than price. The company is shifting product development toward premium hard luggage, rationalising SKUs, strengthening MOP enforcement to restore pricing integrity, and redesigning retail experience through curated EBO formats and airport channel expansion to rebuild aspiration.

VIP plans to introduce upscale product lines under its *Carlton*, *Skybags*, and *VIP* brands, leveraging their strong brand recognition to drive premiumization and regain market momentum. It partnered with a Japanese designer to drive product transformation and premiumization. In FY24, it launched 51 new products in the premium/mass premium segment, 26 new products in the value segment and 174 in backpack category. In FY25, it launched 40 new products in the premium/mass premium segment, 25 new products in the value segment and 64 in backpack category.

We believe a focused reset on premium identity, product innovation, increased freshness salience and technology-led product differentiation provides a credible path to restoring brand authority, improving realisations and supporting margin recovery, enabling VIP to reclaim leadership in the formalising luggage market.

Exhibit 15: VIP's brand spectrum – from mass to premium

Brand	Segment	Product offerings	Revenue share FY25 (%)
VIP	Economy to mid premium	Hard luggage, Soft luggage, uprights, duffles & backpacks	20
Skybags MOVE IN STYLE	Economy to mid premium	Hard luggage, soft luggage, uprights, duffles & backpacks	28
CARLTON	Premium	Hard luggage, soft luggage, uprights, duffles & backpacks	6
CAPRESE	Mid premium to premium	Handbags	3
ARISTOCRAT	Mass	Hard luggage, soft luggage, uprights, duffles & backpacks	43

Source: Company, Elara Securities Research

Exhibit 16: New launches under portfolio transformation strategy



Source: Company, Elara Securities Research

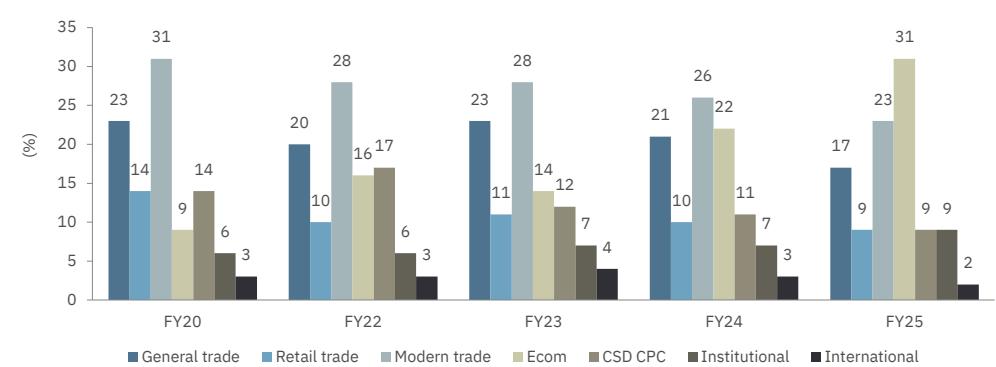
From chaos to control – Rebuilding pricing power and channel discipline

VIP is restructuring its channel mix after aggressive discount-led online growth distorted pricing benchmarks and temporarily diluted the brand value. Management has acknowledged that over-reliance on e-commerce during the liquidation phase resulted in margin erosion and channel conflict as online selling prices collapsed at the entry level. Simultaneously, revenue contribution from modern trade softened due to network restructuring by leading large-format partners, prompting VIP to close low-productivity stores and recalibrate its retail footprint. These corrections mark the transition from volume-driven scale to durable, profitability-led growth across channels.

Omnichannel balance to drive durable growth

Looking ahead, VIP intends to build a more balanced omnichannel ecosystem, with e-commerce targeted to form ~30-35% of revenue, but driven by premium SKUs, data-led customer segmentation, performance-marketing efficiency, and strict MOP enforcement to protect pricing power and reinstate brand authority. Offline will play a stronger strategic role, with sharper focus on premium EBO formats in top 14 cities, expansion of Carlton experiential stores, presence in airports, and curated assortments for MT/GT to rebuild premium perception and improve sell-through economics. This channel reset – combining controlled online scale with profitable offline growth – positions VIP to restore ASPs, enhance margin mix, and support a durable turnaround trajectory. In our view, execution discipline around channel profitability rather than sheer volume will be instrumental in enabling margin recovery.

Exhibit 17: e-commerce contributed 31% to overall sales in FY25 versus 9% in FY20



Source: Company, Elara Securities Research

Valuations and recommendation

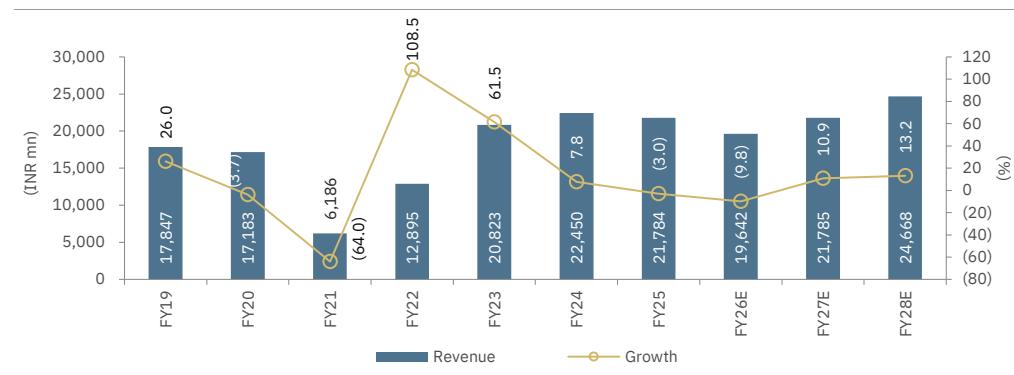
- Rejig likely to put growth back on track
- Initiate with BUY and a TP of INR 430
- Key risks are intense competition and any disruption in supply chains

Rejig likely to put growth back on track

Expect revenue CAGR of 4.2% in FY25-28E

Revenue grew at a modest 4.9% CAGR in FY20-25 to INR 21.8bn, largely constrained by COVID-related travel disruption and internal challenges. We expect revenue to compound at 4.2% CAGR in FY25-28E, supported by the strategic realignment centered on portfolio transformation, brand premiumization and process improvements. While the mass segment continues to anchor volume-led growth, lack of product innovation and D2C-led competitive pressure pushed discounting in the premium core category during the downturn diluting the overall brand imagery. Looking ahead, a refreshed product architecture, reduced discounting and improving market share should reinstate pricing power and drive volume recovery, with macro tailwinds (urbanization, rising disposable incomes, shift to organized retail) further expanding the addressable pool. Enhanced channel efficiency and focused marketing interventions are likely to strengthen customer acquisition and sustain long-term revenue momentum.

Exhibit 18: Expect revenue CAGR of 4.2% in FY25-28E



Source: Company, Elara Securities Estimate

Expect gross margin to reach to 49.0% in FY28E

VIP's gross margins have historically been industry-leading, peaking at 52.6% in FY24, before declining sharply to 45.6% in FY25 due to deep discounting-led liquidation of excess soft luggage inventory. We expect margins to recover by ~338bps in FY25-28E, supported by stable raw material prices, increased in-house manufacturing, and reduced dependence on high-cost imports from China. The ongoing shift towards hard luggage and premium ASP categories, along with MOP pricing discipline and lower reliance on online discounting, should structurally restore pricing power and lift ASPs. Additional contribution from supply-chain efficiencies and warehouse optimization should further support gross margin expansion.

Exhibit 19: Expect gross margin to reach to 49.0% in FY28E

Source: Company, Elara Securities Estimate

Expect EBITDA margin to reach to 10.0% in FY28E

VIP's EBITDA margin fell sharply to 3.8% in FY25 (-484bps YoY), weighed down by elevated warehousing costs, channel conflicts, and operating deleverage from negative value growth. We believe the worst is now behind, with liquidation expected to conclude by H2FY26, stable raw material trends, and benefits from channel rebalancing, cost rationalisation and BCG-led transformation beginning to flow through. As the mix shifts toward hard luggage and premium categories and capacity utilisation improves, we expect EBITDA margin to recover by ~622bps in FY25-28E, driving 44.2% CAGR in EBITDA to INR 2.5bn by FY28E. A return to operating leverage and pricing discipline position VIP for durable profitability improvement.

Exhibit 20: EBITDA margin set to reach 10.0% by FY28E

Source: Company, Elara Securities Estimate

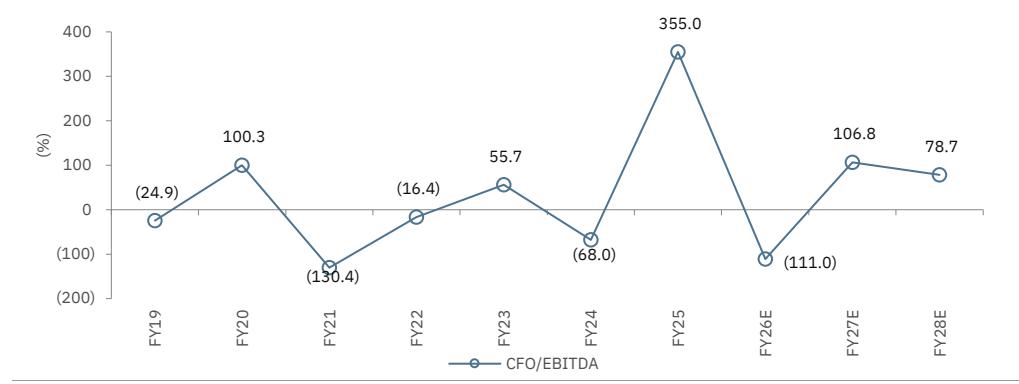
Exhibit 21: Expect PAT margin to reach 2.5% by FY28E

Source: Company, Elara Securities Estimate

VIP to generate INR 4.0bn FCF in FY26-28E

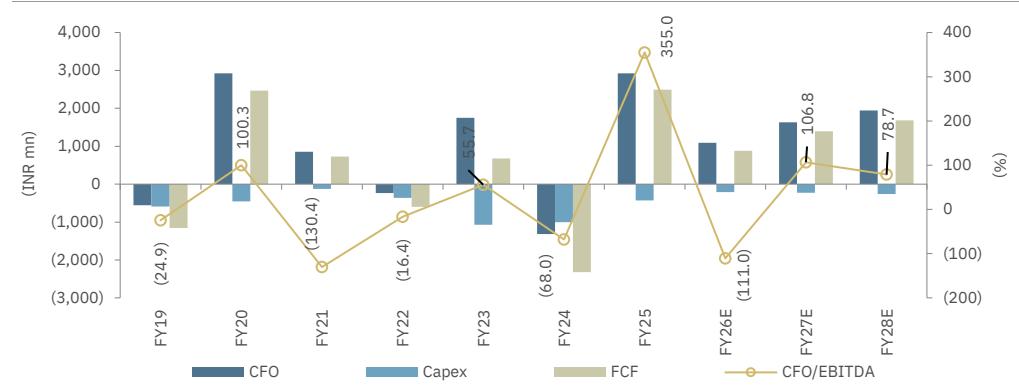
VIP generated INR 0.98bn of FCF in FY21-25, led by higher number of stores entering maturity and contributing to profits. We expect VIP to generate INR 4.0bn FCF in FY25-28E, led by strong control on working capital requirement and margin improvement. We expect the CFO/EBITDA conversion ratio to reach 78.7% in FY28E.

Exhibit 22: Expect strong CFO/EBITDA conversion ratio of 78.7% in FY28E



Source: Company, Elara Securities Estimate

Exhibit 23: Expect FCF generation of INR 4.0bn in FY25-28E

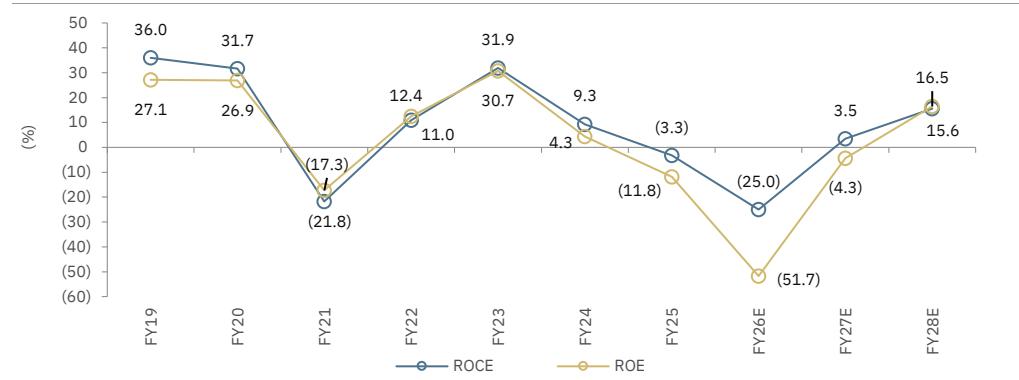


Source: Company, Elara Securities Estimate

Return ratios set to recover above double-digits in FY28E

VIP has remained cash surplus and has been financing its growth needs via internal accruals. It has delivered fluctuating ROE post covid (FY21-24). Consistent profitability and improvement in operating leverage should further stabilize/improve return ratios. Expect VIP to achieve an ROCE of 15.6% in FY28E and an ROE of 16.5% in FY28E. ROIC should reach 16.2% in FY28E from -3.4% in FY25.

Exhibit 24: Expect ROCE to reach 15.6% in FY28E



Source: Company, Elara Securities Estimate

Exhibit 25: ROIC set to reach 16.2% by FY28E

Source: Company, Elara Securities Estimate

Initiate with BUY with a TP of INR 430

VIP stands at an inflection point after a challenging period marked by COVID-19, intensifying competition and internal execution lapses. As India's leading luggage manufacturer with iconic brands and deep distribution reach, VIP is now positioning itself for a multi-year turn around. The company's renewed focus on brand premiumization, product innovation and channel transformation along with change in ownership (providing strategy leg) presents a credible roadmap for a reset. We believe VIP offers product differentiation, and internal process improvements to regain market share. The company with its strong brand portfolio continues to remain a dominant player in the industry.

We build in a revenue CAGR of 4.2% in FY25-28E, led by regaining the lost revenue in FY27 and growth thereafter. We believe that most of the old inventory is either provided or sold, and expect higher gross margins from FY27E. We build in an EBITDA CAGR of 44.2% in FY25-28E as the company implements its premiumization strategy, cost reduction initiatives and resulting operating leverage. We expect VIP to turn positive at the net level in FY28, as fixed costs gradually come down with inventory rationalization and gross margins improve with mix improvement.

Per our scenario analysis, sales growth is one of the major factors that could drive the performance of the company. Since other costs such as personnel, ad spends, depreciation and interest among others are fixed in nature, a change in revenue and gross margin could have a meaningful impact on performance.

We value VIP on EV/EBITDA of 26x FY28E, at a discount of ~30% to Safari Industries, given that near-term outlook may be impacted by business restructuring, with a slew of decisions taken to improve the performance. However, in the longer term, VIP should recover meaningfully given its strong brand recall, strategic mix of mass and premium products, and channel restructuring strategy to drive growth and profitability.

At our target multiple, we arrive at a TP of INR 430, implying an upside of 25% on current market price. At our TP of INR 430, the stock would trade at an implied EV/sales of 2.6x FY28E, which is at par with its current one-year forward multiple. The stock could get re-rated to its mean multiple of 3.9x EV/sales with its market share gain and return to profitability. We **initiate with BUY** – Any drop in the stock price could be used as an opportunity to buy for long-term gains. Key catalysts would be higher-than-expected growth, any market share gain, improvement in profitability and working capital cycle.

Scenario analysis

Exhibit 26: Expect VIP to turn net profitable in FY28

Income statement (INR mn)	FY24	FY25	FY26E	Base case		Bull case		Bear case	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Net revenues	22,450	21,784	19,642	21,785	24,668	23,749	29,267	20,803	22,516
Growth YoY %	7.8	(3.0)	(9.8)	10.9	13.2	20.9	23.2	5.9	8.2
Gross profit	11,813	9,938	8,053	10,457	12,087	11,875	14,926	9,569	10,582
Gross margin %	52.6	45.6	41.0	48.0	49.0	50.0	51.0	46.0	47.0
Personnel cost	2,698	2,253	2,161	2,396	2,837	2,396	2,837	2,396	2,837
% sales	12.0	10.3	11.0	11.0	11.5	10.1	9.7	11.5	12.6
Manufacturing expenses	703	641	589	654	740	654	740	654	740
% sales	3.1	2.9	3.0	3.0	3.0	2.8	2.5	3.1	3.3
Admin & other expenses	2,541	2,930	2,553	2,178	2,343	2,178	2,343	2,178	2,343
% sales	11.3	13.5	13.0	10.0	9.5	9.2	8.0	10.5	10.4
Selling & distribution expenses	3,936	3,290	3,732	3,703	3,700	3,681	4,097	3,744	3,603
% sales	17.5	15.1	19.0	17.0	15.0	15.5	14.0	18.0	16.0
Other expenses	7,180	6,862	6,875	6,535	6,784	6,513	7,181	6,577	6,686
% sales	32.0	31.5	35.0	30.0	27.5	27.4	24.5	31.6	29.7
EBITDA	1,936	823	(982)	1,525	2,467	2,965	4,909	596	1,060
EBITDA margin %	8.6	3.8	(5.0)	7.0	10.0	12.5	16.8	2.9	4.7
Other income	118	109	216	218	247	218	247	218	247
Depreciation & amortization	995	1,191	1,307	1,257	1,296	1,257	1,296	1,257	1,296
Interest expenses	550	732	748	687	621	687	621	687	621
PBT	508	(990)	(2,821)	(201)	797	1,239	3,239	(1,130)	(610)
Taxes	223	(224)	(276)	(44)	175	(44)	175	(44)	175
Adjusted PAT	285	(766)	(2,545)	(157)	622	1,283	3,063	(1,086)	(786)

Source: Elara Securities Estimate, Estimate

Exhibit 27: One year forward EV/sales



Source: Company, Elara Securities Research

Exhibit 28: Valuation Summary

INR (mn)	
FY28E EBITDA	2,467
Target EV/EBITDA (x)	26
EV	64,137
Cash (INR mn)	500
Debt (INR mn)	3,577
Equity value (INR mn)	61,060
Total no. of shares (mn)	142
TP (INR)	430
CMP (INR)	345
Upside (%)	25

Source: Company, Elara Securities Research

Key risks

- ▶ **Competitive intensity:** Aggressive pricing and expansion by global and domestic players may strain margins and market share.
- ▶ **Economic sensitivity:** Discretionary nature of luggage demand makes growth vulnerable to macro slowdowns or shocks.
- ▶ **Supply chain exposure:** Dependence on imported material and logistics increases vulnerability to geopolitical/trade disruptions.
- ▶ **Volatility in raw material prices:** Fluctuating PP/PC prices may materially impact margins.
- ▶ **Brand and innovation risk:** Any dip in quality or product differentiation may weaken brand equity.
- ▶ **Regulatory and sustainability shifts:** Evolving environmental standards may require investment and process adaptation.
- ▶ **Forex fluctuations:** The impact of currency movements on sourcing of imported products may hit profitability.

Company Background

VIP Industries (VIP in) was incorporated in 1968 under the name of Aristo Plast Pvt. and was initially operated as a job work unit for plastic moulding. VIP is India's largest luggage manufacturing company that manufactures luggage and travel accessories. It has manufacturing facilities located at Nasik, Nagpur and Bangladesh. The product portfolio of the company consists of hard luggage and soft luggage, which include duffle bags, backpacks and ladies handbags. The company houses renowned brands such as *VIP*, *Skybags*, *Carlton*, *Aristocrat*, *Alfa* and *Caprese*, covering the entire spectrum of travel products. These brands are positioned across different price ranges thereby catering to mass, economy/ mid-level and premium price points. In FY25, the promoter family announced the sale of ~32% stake to a consortium led by Multiples PE, triggering an open offer and marking a significant change in control.

VIP has the most extensive distribution network in the Indian luggage industry, with ~13,000 touchpoints spread over 1,367 cities. Internationally, VIP Industries exports to >50 countries, with a focus on regions such as the Middle East, Africa, South East Asia, and Europe.

Exhibit 29: VIP – Journey so far

Year	Particulars
1968	Incorporated as Aristo Plast Pvt.
1973	Manufacturing Plant was commissioned at Nasik
1981	Name changed to VIP Industries
1986	Was listed on the stock exchange
1987	Brand 'Alfa' launched
1995	New manufacturing facility set up at Sinnar
2001	Entered into a strategic alliance with France-based luggage maker Delsey (later discontinued)
2004	Acquired UK-based Carlton brand globally
2005	Set up of design studio with aim to revamp the <i>VIP</i> brand, new manufacturing facility set up at Haridwar
2008	Aristocrat Luggage merged with VIP
2011	Launched 'Skybags' Brand
2012	Launched 'Caprese' Brand
2013	Incorporated a wholly-owned subsidiary by the name VIP Industries Bangladesh Pvt. to set-up a luggage manufacturing plant in Bangladesh
2017	Launched 'Aristocrat' Brand
2018	Incorporated additional subsidiaries in Bangladesh
2021	Focused approach on in-house manufacturing across all categories (66% of the overall quantity was sold in the year manufactured in-house, between India and Bangladesh)
2022	Embarked on an INR 1bn investment in expanding manufacturing capacity
2023	Strategic shift from China sourcing to own manufacturing
2024	Crossed INR 22bn revenue mark
2025	Major transition with the promoter stake sale to a consortium of investors led by Multiples PE, signaling a change in control

Source: Company, Elara Securities Research

Board of Directors

Name	Designation	Education	Key expertise
Ms. Renuka Ramnath	Chairperson (Non-Executive, Non-Independent Director)	MBA/Finance; 35+ yrs Financial Services	Founder & MD of Multiples PE (USD 3.5bn AUM); ex-MD & CEO of ICICI Venture; deep expertise in large-scale value creation, governance & transformation
Mr. Sridhar Sankararaman	Non-Executive, Non-Independent Director	CA; MBA – ISB (Dean's List)	MD-Consumer & Industrials, Multiples PE; 25 years of experience in PE & investment strategy and strong track record in driving operational turnarounds
Mrs. Shalini D. Piramal	Non-Executive, Non-Independent Director	BA; Diploma in Fashion Designing	Leads real-estate business operations at Kemp & Co. with strong CSR & governance background and deep real-estate and retail operations expertise
Mr. Atul Jain	Managing Director	B. Tech-IIT Delhi; MBA-IIM Calcutta	With 30 years of experience in consumer durables & electronics, he has led digital transformation & growth scaling (strong global supply-chain background). He previously collaborated with Samsung & Coca-Cola.

Mr. Rajendra Agarwal	Independent Director	Gold Medalist – Textile Technology	With 40+ years of experience in textiles, he is the promoter of Donear Group with expertise in operations, innovation and cost excellence
Mr. Tushar Jani	Independent Director	B.Sc. – Mumbai University	Founder of Blue Dart with 40 years of expertise in logistics, express delivery & aviation. He has been a pioneer in supply-chain infrastructure
Dr. Suresh Surana	Independent Director	PhD-Management; CA; LLB	Specialist in taxation & corporate advisory with finance expertise in multi-industries
Ms. Payal Kothari	Independent Director	BA Economics; LLB; Solicitor; Harvard Negotiation Certification	With 29 years of legal experience she is a specialist in corporate restructuring, M&A, JV structuring & dispute resolution
Mr. Manish Desai	Chief Financial Officer	CA	He brings 25 years of experience across treasury, consolidation, tax, US-GAAP reporting, and board-level financial control.

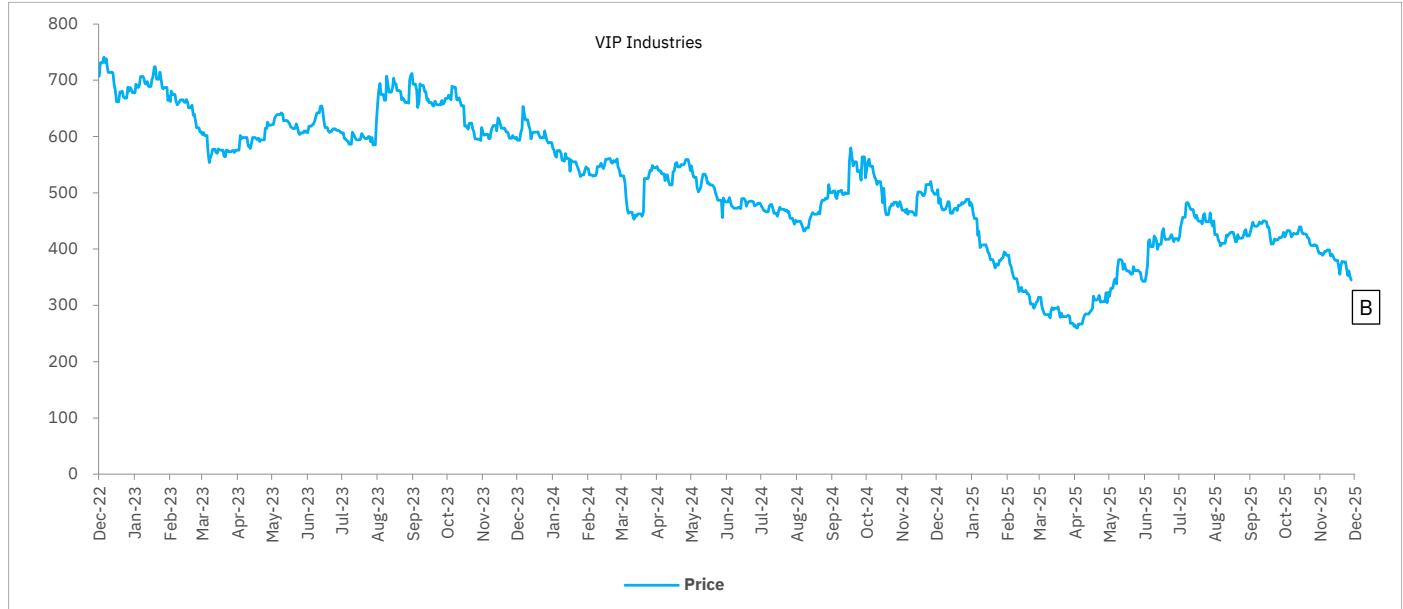
Source: Company, Elara Securities Research

Management Team

Name	Designation	Experience
Akash Shukla	Vice President – Human Resources	23 years of experience across varied industries, including luggage industry
Ashish Saha	Executive Director & Sr. Vice President – India Manufacturing & New Projects	45 years of experience in the luggage industry
Sumit Gupta	Vice President – Sales & CRM	25 years of experience across varied industries, including luggage
Manish Desai	Chief Financial Officer	26 years of experience across diverse industries
Anjan Mohanty	Chief Executive Officer – Bangladesh	26 years of experience in the apparel industry
MVH Sastry	Vice President – Procurement & Supply Chain	23 years of experience in the FMCG industry
Sushant Junnarkar	Vice President – E-commerce & Caprese, Design Head	23 years of experience across industries and digital domains including FMCG, fashion & beauty
Vasant Dewaji	Design Head	32 years of experience across varied industries

Source: Company, Elara Securities Research

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
05-Dec-2025	Buy	430	345

Guide to Research Rating

BUY (B) Absolute Return >+20%

ACCUMULATE (A) Absolute Return +5% to +20%

REDUCE (R) Absolute Return -5% to +5%

SELL (S) Absolute Return < -5%

Abbreviation

Abbreviations Full Form

D2C	Direct to Consumer
PP	Polypropylene
PC	Polycarbonate
CSD	Canteen Store Department
EBO	Exclusive Brand Outlet
MBO	Multi Brand Outlets
ASP	Average Selling Price
SKU	Stock Keeping Units

Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE] and BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website www.elaracapital.com

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Artificial Intelligence (AI) tools may have been used only for compilation or collating publicly available research data or internally generated research data during the information gathering and/or summarizing the final report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

Disclaimer & Standard warning

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Disclosures for U.S. Investors

Rule 15a6 Disclosure: This research report ("Report") was prepared, approved, published, and distributed by Elara Securities (India) Private Limited a company located outside of the United States (the "Foreign Counterparty"). Avior Capital Markets US LLC ("Avior US"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "Exchange Act")) may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organization.

Disclosures on Subject Companies: Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/> and Investors are strongly encouraged to review this information before investing.

Additional Disclaimer for UK Investors

Note that Elara Securities (India) Private Limited ("Foreign Counterparty") has concluded a MiFID II research intermediary agreement with Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), pursuant to which Avior UK distributes the Foreign Counterparty's research in the UK, in return for which the Foreign Counterparty pays Avior UK a percentage of the income received in relation to such research. This research report including any recommendations recorded therein ("Report") have been prepared by the Foreign Counterparty, and not by Avior UK.

The Report: (a) has been objectively prepared from public sources which are believed to be reliable and therefore constitutes independent investment research and is presented as such; and (b) may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned in this Report may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation/investment advice and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Save as disclosed otherwise, the Foreign Counterparty's relationship with Avior UK is not reasonably expected to impair the objective presentation of the recommendations in the Report, including any interests or conflicts of interest concerning any financial instruments or the issuers to which the recommendations, directly or indirectly, relate. The Report is deemed to be first disseminated at the date and time recorded on the relevant distribution platform, data network or email (as applicable), and which information is available on request. A list of the Foreign Counterparty's research reports disseminated in the UK over the past 12 months is also available on request.

Avior UK does not assume any responsibility or liability of any nature whatsoever arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

Certification by Each of the Authors of this Report

The analyst(s) (singular includes plural) ("Analyst") certifies that the views expressed in this Report are an accurate representation of the Analyst's personal opinions on the stock or sector as covered and reported on by the Analyst hereinabove. The Analyst furthermore certifies that no part of the Analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this document. The Analyst is principally responsible for the preparation of this Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director or employee of the subject company in the last 12-month period ending on the last day of the month immediately preceding the date of publication of the Report.

Analyst Certification: In connection with the companies or securities that; each analyst identified in this Report certifies that: The views expressed on the subject companies and securities in this Report reflect their personal views. No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Avior Capital Markets US, LLC is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

Avior Capital Markets International Limited is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 10 South Street, Elgin, Scotland IV30 1LE.

Elara Securities (India) Private Limited is a SEBI-registered Research Analyst (Regn. No.: INH000000933), Stock Broker (Regn. No.: INZ000238236) and Depository Participant (Regn. No.: IN-DP-370-2018). Its registered address is One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India

India

Elara Securities (India) Private Limited
 One International Center, Tower 3,
 21st Floor, Senapati Bapat Marg,
 Elphinstone Road (West)
 Mumbai – 400 013, India
 Tel : +91 22 6164 8500

Europe

Elara Capital Plc.
 6th Floor, The Grove,
 248A Marylebone Road,
 London, NW1 6JZ,
 United Kingdom
 Tel : +44 20 7486 9733

USA

Elara Securities Inc.
 230 Park Avenue, Suite 2415,
 New York, NY 10169, USA
 Tel: +1 212 430 5870
 Fax: +1 212 208 2501

Asia / Pacific

Elara Capital (Asia) Pte.Ltd.
 One Marina Boulevard,
 Level 20,
 Singapore 018989
 Tel : +65 6978 4047


**Managing
Director**

Harendra Kumar | harendra.kumar@elaracapital.com | +91 22 6164 8571


**Head of
Research**

Dr Bino Pathiparampil | bino.pathiparampil@elaracapital.com | +91 22 6164 8572

Sales Team

India

Hitesh Danak - hitesh.danak@elaracapital.com - +91 22 6164 8543
Ashok Agarwal - ashok.agarwal@elaracapital.com - +91 22 6164 8558
Himani Sanghavi - himani.sanghavi@elaracapital.com - +91 22 6164 8586


**India, APAC &
Australia**

Sudhanshu Rajpal - sudhanshu.rajpal@elaracapital.com - +91 22 6164 8508
Joshua Saldanha - joshua.saldanha@elaracapital.com - +91 22 6164 8541
Shraddha Shrikhande - shraddha.shrikhande@elaracapital.com - +91 22 6164 8567
Suyash Maheshwari - suyash.maheshwari@elaracapital.com - +91 22 4204 8698


India & UK

Prashin Lalvani - prashin.lalvani@elaracapital.com - +91 22 6164 8544


India & US

Karan Rathod - karan.rathod@elaracapital.com - +91 22 6164 8570


**Corporate
Access,
Conference &
Events**

Anita Nazareth - anita.nazareth@elaracapital.com - +91 22 6164 8520
Tina D'souza - tina.dsouza@elaracapital.com - +91 22 6164 8595

By clicking this link, you acknowledge and agree to the [Terms and Conditions of Research Services](#)

Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500

CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933

Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236

Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018

Investor Grievance Email ID: investor.grievances@elaracapital.com - Tel. +91 22 6164 8509

Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509