

BRAND VALUATION



PREPARED BY

CA. NIKI SHAH

REGISTERED VALUER SFA

N M Medical Diagnostic Centre,
Swastik Building 1st Floor Near ICICI Bank,
Chamunda Cir, Borivali West
Mumbai – 400092

Registered Valuer: IBBI/RV/07/2019/12472

Membership no.: 123409

Date: 02-05-2023

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

To

The Board of Directors

Future Consumer Ltd.

Knowledge House, Shyam Nagar,

Off Jogeshwari Vikhroli Link Road,

Jogeshwari(East) Mumbai MH 400060 IN

Sub.: Brand Valuation Report

We refer to our engagement letter dated 25th April 2023 for carrying out the Brand valuation analysis of Kara as on 31st Dec 2022.

In accordance with the terms of the engagement, I am enclosing our report along with this letter.

This Valuation Analysis is confidential and has been prepared exclusively for the Management of Company for its Internal Purpose Only. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of CA Niki Shah. Such consent will only be given after full consideration of the circumstance at the time.

Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

CA. Niki Shah

Place: Mumbai

Date: 02-05-2023

Registered Valuer: IBBI/RV/07/2019/12472

UDIN NO -

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

1. EXECUTIVE SUMMARY

1.1. Overview of the company:

CIN	L52602MH1996PLC192090
Company / LLP Name	FUTURE CONSUMER LTD.
ROC Code	RoC-Mumbai
Registration Number	192090
Company Sub-Category	Non-govt company
Class of Company	Public
Date of Incorporation	10/07/1996
Registered Address	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East) Mumbai MH 400060 IN
Whether Listed or not	Listed

a) The Share Capital of the Company as on 31st Dec, 2022 was as under:

Sr No	Category	No of shares	% holding
1	Corporate Bodies (Promoter Co)	6,95,19,663	3.48
2	Clearing Members	3,88,198	0.02
3	Other Bodies Corporate	26,33,25,958	13.18
4	Foreign Company	25,41,03,116	12.72
5	Hindu Undivided Family	2,12,09,991	1.06
6	Non Nationalised Banks	250	0.00
7	Non Resident Indians	2,98,86,625	1.50
8	Office Bearers	4,52,407	0.02
9	Public	1,17,44,00,638	58.81
10	Trusts	500	0.00
11	Other Directors/Relatives	5,11,750	0.03
12	Employee Welfare Trust / ESOP	1,34,52,793	0.67
13	Relatives Of Promoters	1,66,788	0.01
14	Insurance Companies	5,10,000	0.03
15	Body Corporate - Ltd Liability Partnership	11,40,594	0.06
16	Foreign Portfolio Investors (Corporate)	16,77,78,772	8.40
17	NBFCs registered with RBI	1	0.00
18	Directors and their relatives (excluding independent Directors and nominee Directors)	1,83,999	0.01
19	Key Managerial Personnel	2,600	0.00
	Total	1,99,70,34,643	100.00

1.2. Origin & Introduction of the Brand-

Kara's instant wipes are the right fix when you want to feel beautiful and fresh while being on-the-go. The name Kara is derived from the Punjabi word karā meaning pure and unblemished. Made from pure viscose fibre, the wipes are soft and dermatologically tested as well as paraben- and alcohol-free.

Kara has strong presence and popularity in modern trade outlets, more than 35,000 general trade stores, and leading online marketplaces such Amazon and Nykaa. It has partnered with the Femina Miss India beauty pageant and built its own fan following. Kara has also matured on digital media as a brand, with more than 25,000 followers.

They are extremely encouraged by the consumers' response to Kara, which has become a part of their daily beauty regimen. They have introduced wipes aimed at specialised skincare for different seasons, which has emerged as a key differentiator.

Kara is the first brand to launch beauty wet wipes in India. It offers uniquely designed products that combine beauty & skin care. Disposable wipes for instant cleansing and refreshment, Paraben and alcohol free Enriched with ingredients like aloe vera, cucumber, neem and mint for cooling and cleansing, infused with Vitamin E and argan oil for effortless removal of nail paint without damaging the nail. Kara has a robust distribution footprint nationally. Kara wipes uses 100 % viscous fibre which is completely bio degradable and environmental friendly. Kara Wipes removes the toughest dirt, oil and grime from your skin in one gentle wipe & restores the skin's PH balance.

THE WIPES ARE DIFFERENTIATED BY THE PURPOSE THEY ARE DESIGNED FOR:

1. REFRESHING- Feel fresh with wipes with neem and tea tree oil; aloe vera and cucumber; and aloe vera and mint oil.
2. SKINCARE- With toning, moisturising and cleansing wipes, as well as those with sunscreen, get your beauty regimen in control. Also, different wipes for different seasons.
3. REMOVER- Remove your nail paint (in rose, orange, strawberry, and lemon fragrances) and makeup on the go.
4. SANITISING-Forget the sanitiser, use wipes instead. Make your baby feel fresh and happy with our baby cleansing wipes.

Kara has a range of sheet masks for the face, helping to beat the summer heat and stay fresh. These are made with handpicked ingredients like aloe vera, blueberry, and more.

1.3. Purpose of Valuation:

Management of the company wishes to determine the Brand Value of the Kara as on 31st Dec 2022 for its Internal Purpose only.

1.4. Appointing Authority:

We have been appointed by management of Future Consumer Ltd. to determine the Brand Value of the Kara as on 31st Dec 2022 for Internal Purpose.

Niki Darshak Shah

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Mobile No: 9930547923

1.5. Intellectual Property:

Creating a Brand is a lengthy, time consuming and a strategic process. It takes years for companies to develop, promote and maintain the Brand. One of the process in developing and promoting a brand involves its designing, packaging and looks. The companies secure the Brand Name and its designs by securing the Intellectual Property Rights by registering the same with relevant government authorities.

Future Consumer Ltd. has got its brands registered with the Trademark Authority. The list of Trademarks registered are provided below-

Sr.No	Trademark	Application No	Class	Validity Date	Status
1	Kara	1594120	24	23/08/2027	Registered
2	KARA	3446510	24	28/12/2026	Registered
3	Kara	1594117	3	23/08/2027	Registered
4	Kara	1594119	3	23/08/2027	Registered
5	Kara	1594118	24	23/08/2027	Registered
6	KARA (DEVICE) NEW	3446509	3	28/12/2026	Registered

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Mobile No: 9930547923

TM Application No.	1594120				
Class	24				
Date of Application	23/08/2007				
Appropriate Office	MUMBAI				
State	MAHARASHTRA				
Country	India				
Filing Mode	Branch Office				
TM Applied For	KARA (LABEL)				
TM Category	TRADE MARK				
Trade Mark Type	DEVICE				
User Detail	01/08/2007				
Certificate Detail	Certificate No. 1167659 Dated : 06/05/2014				
Valid upto/ Renewed upto	23/08/2027				
Proprietor name	(1) FUTURE CONSUMER LIMITED Body Incorporate				
Proprietor Address	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, 'Jogeshwari (East), Mumbai- 400060				
Email Id	****erco@gmail.com				
Agent name	KAYSER AND COMPANY.[239]				
Agent Address	RAJA BAHADUR MANSION, 20 AMBALAL DOSHI MARG, FORT, MUMBAI- 400 023.				
Goods & Service Details	[CLASS : 24] TEXTILES AND TEXTILE GOODS, NOT INCLUDED IN OTHER CLASSES; BED AND TABLE COVERS.				
Publication Details	Published in Journal No. : 1429-0 Dated : 01/12/2009				
Opposition/Rectification Details	Date	Opp. Number	Opponent Code	Opponent Name & Address	Details
	23/03/2010	[758480]	[14748]	MARICO LTD RANG SHARDA, K.L.C. MARD, BANDRA RECLAMATION, BANDRA WEST, MUMBAI	Details

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Mobile No: 9930547923



INTELLECTUAL
PROPERTY INDIA
PATENTS | DESIGN | TRADE MARKS
GEOGRAPHICAL INDICATIONS



भारत सरकार/GOVERNMENT OF
INDIA

व्यापार चिह्न रजिस्ट्री/Trade Marks
Registry

बौद्धिक संपदा भवन/Boudhik Sampada
Bhawan,
एस.एम. रोड/S. M. Road,
एन्टोप हिल/ Antop Hill,
मुंबई/Mumbai-400037

संख्या: आर एल सी/RLC/306938

दिनांक/Date 01/09/2017
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विषय: पंजीकृत व्यापार चिह्न संख्या 1594120 वर्ग 24

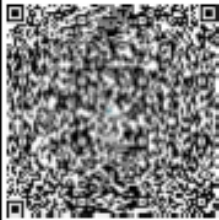
Subject : Renewal of registration of Trade Mark No 1594120 Class 24

आपको यह सूचित किया जाता है कि पंजीकृत व्यापार चिह्न संख्या 1594120 वर्ग 24 का नवीकरण दिनांक 23/08/2017 से अगले 10 वर्षों की अवधि तक किया गया है।

I have to inform you that the Registration of Trade Mark No 1594120 in class 24 has been renewed for a period of Ten years from the 23/08/2017

नवीकरण संबंधी सूचना व्यापार चिह्न पत्रिका संख्या . 1814 में विज्ञापित की गई है।

The renewal will be advertised in the Trade Mark Journal No. 1814



भवदीय/Yours faithfully

कृते पंजीकार व्यापार चिह्न
For Registrar of Trade Marks

To,

KAYSER AND COMPANY.

RAJA BAHADUR MANSION, 20 AMBALAL
DOSHI MARG, FORT, MUMBAI- 400 023.

*This is a computer generated certificate, hence no signature required.

फॉर्म आरजी - 2
Form RG - 2



भारत सरकार
Government of India
व्यापार चिन्ह रजिस्ट्री
Trade Marks Registry

क्रमांक
No. 2342371

व्यापार चिन्ह अधिनियम, 1999
Trade Marks Act, 1999

व्यापार चिन्ह के रजिस्ट्रीकरण का प्रमाणपत्र, धारा 23 (2), नियम 56 (1)
Certificate of Registration of Trade Mark, Section 23 (2), Rule 56 (1)

व्यापार चिन्ह संख्या / Trade Mark No. 3446510

दिनांक / Date 28/12/2016

ज. संख्या / J. No. 1913

यह प्रमाणित किया जाता है कि जिस प्रकार चिन्ह की समाप्ति इसके साथ संगत है, वह
के बारे में दिनांक नाम से रजिस्ट्रीकृत हो चुका है।

Certified that Trade Mark / a representation is annexed hereto, has been registered in the name(s) of:-
FUTURE CONSUMER LIMITED, Knowledge House, Shyam Nagar, Off.Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai-400060,
BODY INCORPORATE, manufacturer and merchants, (Body Incorporate)

In Class 24 Under No. 3446510 as of the date 28 December 2016 in respect of

textile and textile goods including cellulose fabric and cellulose pieces for use as wipes of all kinds; textile sheet, handkerchiefs, tablecloths, household textile, curtain holder(textile), microfiber towels, towels used for cleaning purposes

Trade Mark as annexed

मेरे निर्देश पर आज के मास के से दिन को इस पर मुद्रा लगायी गई

Sealed at my direction, this 18th day of December, 2019



OKSupte

व्यापार चिन्ह रजिस्ट्री
Trade Marks Registry MUMBAI

व्यापार चिन्ह रजिस्ट्रार
Registrar of Trademarks

रजिस्ट्रीकरण अवधि की शुरुआत से 10 वर्ष के लिए है और अवधि के 10 वर्ष की अवधि के अंत में 10 वर्ष की अवधि के अंत में नवीनीकृत किया जा सकता है।

Registration is for 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years.

यह प्रमाणपत्र सिर्फ भारतीय क्षेत्र में प्रयोग के लिए या विदेश में रजिस्ट्रीकरण अधिनियम लागू के लिए नहीं है।

This certificate is not for use in legal proceedings or for obtaining Registration abroad.

टिप्पणी - इस व्यापार चिन्ह के स्वामित्व में कोई परिवर्तन होने पर, या कारोबार के मुख्य स्थान के पते में या भारत में सर्वोच्च के लिए पते में परिवर्तन होने पर परिवर्तन के लिए अवधि शुरू किया जाना चाहिए।

Note: Upon any change of ownership of this Trademark, or change in address, of the principal place of business or address for service in India a request should AT ONCE be made to register the change.

Niki Darshak Shah

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Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

TM Application No.	1594117				
Class	3				
Date of Application	23/08/2007				
Appropriate Office	MUMBAI				
State	MAHARASHTRA				
Country	India				
Filing Mode	Branch Office				
TM Applied For	KARA				
TM Category	TRADE MARK				
Trade Mark Type	WORD				
User Detail	01/08/2007				
Certificate Detail	Certificate No. 1128412 Dated : 30/10/2013				
Valid upto/ Renewed upto	23/08/2027				
Proprietor name	(1) FUTURE CONSUMER LIMITED Body Incorporate				
Proprietor Address	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, 'Jogeshwari (East)', Mumbai- 400060				
Email Id	****erco@gmail.com				
Agent name	KAYSER AND COMPANY.[239]				
Agent Address	RAJA BAHADUR MANSION, 20 AMBALAL DOSHI MARG, FORT, MUMBAI- 400 023.				
Goods & Service Details	[CLASS : 3] TISSUES AND/OR WIPES IMPREGNATED WITH COSMETIC LOTIONS				
Publication Details	Published in Journal No. : 1399-0 Dated : 01/09/2008				
Opposition/Rectification Details	Date	Opp. Number	Opponent Code	Opponent Name & Address	Details
	02/01/2009	[736975]	[14345]	MARICO LIMITED 'RANG SHARDA', K. C. MARG, BANDRA RECLAMATION, BANDRA (W), MUMBAI-400 050.	Details

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Mobile No: 9930547923



बौद्धिक संपदा भवन/Boudhik Sampada
Bhawan,
एस.एम. रोड/S. M. Road,
एन्टोप हिल/ Antop Hill,
मुंबई/Mumbai-400037

संख्या: आर एल सी/RLC/306934

दिनांक/Date 01/09/2017
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विषय: पंजीकृत व्यापार चिह्न संख्या 1594117 वर्ग 3

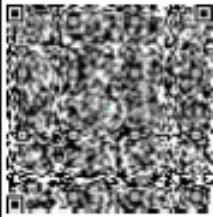
Subject : Renewal of registration of Trade Mark No 1594117 Class 3

आपको यह सूचित किया जाता है कि पंजीकृत व्यापार चिह्न संख्या 1594117 वर्ग 3 का नवीकरण दिनांक 23/08/2017 से अगले 10 वर्षों की अवधि तक किया गया है।

I have to inform you that the Registration of Trade Mark No 1594117 in class 3 has been renewed for a period of Ten years from the 23/08/2017

नवीकरण संबंधी सूचना व्यापार चिह्न पत्रिका संख्या . 1814 में विज्ञापित की गई है।

The renewal will be advertised in the Trade Mark Journal No. 1814



भवदीय/Yours faithfully

कृते पंजीकार व्यापार चिह्न
For Registrar of Trade Marks

To,
KAYSER AND COMPANY.
RAJA BAHADUR MANSION, 20 AMBALAL
DOSHI MARG, FORT, MUMBAI- 400 023.

*This is a computer generated certificate, hence no signature required.

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

TM Application No.	1594119				
Class	3				
Date of Application	23/08/2007				
Appropriate Office	MUMBAI				
State	MAHARASHTRA				
Country	India				
Filing Mode	Branch Office				
TM Applied For	KARA (LABEL)				
TM Category	TRADE MARK				
Trade Mark Type	DEVICE				
User Detail	01/08/2007				
Certificate Detail	Certificate No. 1162339 Dated : 28/03/2014				
Valid upto/ Renewed upto	23/08/2027				
Proprietor name	(1) FUTURE CONSUMER LIMITED Body Incorporate				
Proprietor Address	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, 'Jogeshwari (East)', Mumbai- 400060				
Email Id	****erco@gmail.com				
Agent name	KAYSER AND COMPANY.[239]				
Agent Address	RAJA BAHADUR MANSION, 20 AMBALAL DOSHI MARG, FORT, MUMBAI- 400 023.				
Goods & Service Details	[CLASS : 3] Tissues and / or wipes impregnated with cosmetics lotion				
Conditions	REGISTRATION OF THIS TRADE MARK SHALL GIVE NO RIGHT TO THE EXCLUSIVE USE OF WORD "SKINCARE WIPES".				
Publication Details	Published in Journal No. : 1399-0 Dated : 01/09/2008				
Opposition/Rectification Details	Date	Opp. Number	Opponent Code	Opponent Name & Address	Details
	02/01/2009	[736976]	[14345]	MARICO LIMITED 'RANG SHARDA', K. C. MARG, BANDRA RECLAMATION, BANDRA (W), MUMBAI-400 050.	Details

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Mobile No: 9930547923



भारत सरकार/GOVERNMENT OF
INDIA
व्यापार चिह्न रजिस्ट्री/Trade Marks
Registry

बौद्धिक संपदा भवन/Boudhik Sampada
Bhawan,
एस.एम. रोड/S. M. Road,
एन्टोप हिल/ Antop Hill,
मुंबई/Mumbai-400037

संख्या: आर एल सी/RLC/306939

दिनांक/Date 01/09/2017
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विषय: पंजीकृत व्यापार चिह्न संख्या 1594119 वर्ग 3

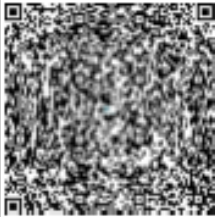
Subject : Renewal of registration of Trade Mark No 1594119 Class 3

आपको यह सूचित किया जाता है कि पंजीकृत व्यापार चिह्न संख्या 1594119 वर्ग 3 का नवीकरण दिनांक 23/08/2017 से अगले 10 वर्षों की अवधि तक किया गया है।

I have to inform you that the Registration of Trade Mark No 1594119 in class 3 has been renewed for a period of Ten years from the 23/08/2017

नवीकरण संबंधी सूचना व्यापार चिह्न पत्रिका संख्या . 1814 में विज्ञापित की गई है।

The renewal will be advertised in the Trade Mark Journal No. 1814



भवदीय/Yours faithfully

कृते पंजीकार व्यापार चिह्न
For Registrar of Trade Marks

To,

KAYSER AND COMPANY.

RAJA BAHADUR MANSION, 20 AMBALAL
DOSHI MARG, FORT, MUMBAI- 400 023.

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Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

TM Application No.	1594118
Class	24
Date of Application	23/08/2007
Appropriate Office	MUMBAI
State	MAHARASHTRA
Country	India
Filing Mode	Branch Office
TM Applied For	KARA
TM Category	TRADE MARK
Trade Mark Type	WORD
User Detail	01/08/2007
Certificate Detail	Certificate No. 1205248 Dated : 10/04/2015
Valid upto/ Renewed upto	23/08/2027
Proprietor name	(1) FUTURE CONSUMER LIMITED Body Incorporate
Proprietor Address	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, 'Jogeshwari (East), Mumbai- 400060
Email Id	****erco@gmail.com
Agent name	KAYSER AND COMPANY.[239]
Agent Address	RAJA BAHADUR MANSION, 20 AMBALAL DOSHI MARG, FORT, MUMBAI- 400 023.
Goods & Service Details	[CLASS : 24] Textiles and textile goods including cellulose fabric and cellulose pieces for use as wipes of all kinds.
Publication Details	Published in Journal No. : 1655-0 Dated : 25/08/2014

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

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Mobile No: 9930547923



**INTELLECTUAL
PROPERTY INDIA**
PATENTS | DESIGNS | TRADE MARKS
GEOGRAPHICAL INDICATIONS



**भारत सरकार/GOVERNMENT OF
INDIA**

**व्यापार चिह्न रजिस्ट्री/Trade Marks
Registry**

बौद्धिक संपदा भवन/Boudhik Sampada
Bhawan,
एस.एम. रोड/S. M. Road,
एन्टोप हिल/ Antop Hill,
मुंबई/Mumbai-400037

संख्या: आर एल सी/RLC/306940

**दिनांक/Date 01/09/2017
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विषय: पंजीकृत व्यापार चिह्न संख्या 1594118 वर्ग 24

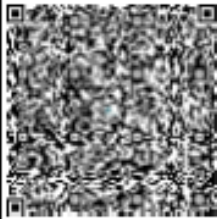
Subject : Renewal of registration of Trade Mark No 1594118 Class 24

आपको यह सूचित किया जाता है कि पंजीकृत व्यापार चिह्न संख्या 1594118 वर्ग 24 का नवीकरण दिनांक 23/08/2017 से अगले 10 वर्षों की अवधि तक किया गया है।

I have to inform you that the Registration of Trade Mark No 1594118 in class 24 has been renewed for a period of Ten years from the 23/08/2017

नवीकरण संबंधी सूचना व्यापार चिह्न पत्रिका संख्या . 1814 में विज्ञापित की गई है।

The renewal will be advertised in the Trade Mark Journal No. 1814



भवदीय/Yours faithfully

**कृते पंजीकार व्यापार चिह्न
For Registrar of Trade Marks**

To,

KAYSER AND COMPANY.

**RAJA BAHADUR MANSION, 20 AMBALAL
DOSHI MARG, FORT, MUMBAI- 400 023.**

***This is a computer generated certificate, hence no signature required.**

Note: Upon any change of ownership of this Trademark, or change in address, of the principal place of business or address for service in India a request should AT ONCE be made to register the change.

2. SCOPE OF WORK

Management of Future Consumer Ltd. appointed CA Niki Shah to undertake the valuation to assess the Brand Value of the Kara.

3. DISCLOSURE OF VALUER INTEREST

I have no present or prospective contemplated financial interest in the company and I have no personal interest with respect to the Promoters & Board of Directors of the company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement. My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

4. VALUATION DATE

The Fair Value has been arrived as on 31st Dec, 2022 as per the data & information provided by the management.

5. LIMITATION, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMER

- i. The course of our analysis, we have relied on financial data provided by management of the company, together with information from public sources. Without independent verification, we have relied upon these data as accurately reflecting the results of the operations and financial position of the company and matters and items of relevance for the valuation. We assume that management of the company have not omitted or misstated any factors of relevance. Any such omissions or misstatements may materially affect our conclusions. We take no financial or legal responsibility for the completeness or accuracy of the information that this report is based on.
- ii. By its very nature, valuation work cannot be regarded as an exact science and given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. There can therefore be no standard formulae to establish an indisputable value, although certain appropriate formulae are useful in establishing reasonableness.
- iii. In furnishing the Report, the Valuer reserves the right to amend or replace the Report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.
- iv. This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- v. Our conclusions are based on the assumptions and information given by or on behalf of the company and reliance on public information. The Management of the company has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis; results. Accordingly, we assume no responsibility for any errors in the information furnished by the company and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially incorrect or would not afford reasonable grounds upon which to base the Report.
- vi. The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be

matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.

- vii. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Valuation, This Report is not a substitute for the third party's own due diligence; appraisal; enquiries; independent advice that the third party should undertake for his purpose.

6. APPROACH AND METHODOLOGY

Brand Valuation is defined as the Net Present Value of future earnings generated by the brand alone. Brands influence customer choice, but the influence varies depending on the market in which the brand operates.

Intangible assets are crucial to business value and growth and it is important that they are identified alongside the tangible assets and valued as individual components. From a shareholder's perspective, the value of a brand is equal to the financial returns that the brand will generate over its useful life. Any financial returns attributed to a brand must be discovered to account for market uncertainty and asset specific risks. These two principles apply to the valuation of all assets, not just brands.

Brand valuation is a powerful process that captures the present and future value of a brand. Brand valuation determines how the brand creates value and aligns with customer's drive for purchases. Brand valuation becomes a means of communicating about brand and marketing strategy in shareholder value terms, both internally and externally.

The following are commonly used and accepted methods for determining the value of brand:

A) Relief from Royalty Method-

Introduction-

The 'Relief from Royalty' method is based on the notion that a brand holding company owns the brand and Licenses it to an operating company.

The notional price paid by the operating company to the brand company expressed as a royalty rate. The NPV of all forecast royalties represents the value of the brand to the business. The attraction of this method is that it is based on commercial practice in the real world.

Process-

1. Determine the Notional Royalty Rate-

Fundamental profitability in each industrial sector influences the determination of royalty rate ranges. This must be taken into account when determining the royalty rate ranges. A 'Rule of Thumb' exists within the licensing industry ('Rule of 25'), which states that, on average, a licensee should expect to pay 25% of its expected profits for access to the licensed intellectual property. For example, if operating margin is 20%, an appropriate royalty rate should be $25\% \times 20\% = 5\%$.

This rule is based on heuristic evidence of a relationship between market royalty rates and margins earned in licensee businesses. Royalty rates may be higher or lower than 25% of profits, depending upon a variety of quantitative and qualitative factors that can and do affect commercial negotiations. When determining royalty rate, the 'Rule of 25' is a useful indicator of what an appropriate royalty rate range might be in each industrial sector.

Further, another method for determining royalty rate is "Benchmarking study" which is a detailed comparison of publicly available licence agreements and royalty rates in order to determine the arm's length (market) royalty rate range for specific products or services.

Since, the management of Future consumer Limited is unable to provide operating margin exclusively pertaining to kara brand and hence, the royalty rate has been taken as **3%** applying the 'Benchmarking study'.

2. Determine the Projected Revenue on which the royalty will be earned by the company. This has been taken from the Projections provided by the company for the period from 1st Jan 2023 – 31st March 2023 and for the year ended March 31, 2024 to March 31, 2027.
3. Calculate the Gross Royalty Income by applying the royalty rate calculated to the royalty generating revenue.
4. Deduct the Tax Expenses from the Net Royalty Income arrived at after reducing the Branding Expenses from the Gross Royalty Income. Here, an effective tax rate is considered to be **25.17%**.
5. Apply the Discounting Factor to the Net Royalty Income after Tax to determine the Present Value of net Royalty Income for the Projection Period.
6. After the explicit period, the business will continue to generate cash. In Income Method, therefore, perpetuity value is also considered to arrive at the Total Brand Value. For arriving at the perpetuity value, we have considered a growth rate of 3%. In our opinion, such growth rate is reasonable considering the growth projected by the Company and the industry in which the Company operates

Based on this method, the Brand Value of Kara comes to **Rs.300 Lakhs**.

Detailed working is attached in Annexure.

7. NATURE AND SOURCES OF THE INFORMATION USED OR RELIED UPON

For the purpose of this valuation, we have relied upon the under mentioned information and other data supplied by the management of the Company and other sources believed to be reliable:

- a) Projected Revenue for the period from 1st Jan 2023 – 31st March 2023 and for the year ended March 31, 2024 to March 31, 2027 for Kara as provided to us by the Management.
- b) Management Representation Letter dated 25th April 2023.
- c) List of Trademarks registered by the company.
- d) Such other information and explanation as may be required by us and provided by the management. We have also placed reliance on the verbal explanations and information given to us by the Promoters/Directors of the Company.

8. CONCLUSION

Brand Valuation of Kara has been conducted based on Relief from Royalty Method

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot too strongly be emphasized that a Valuer can only arrive at one value for one purpose.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner. The basis of the Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Based on the above and considering the various inputs and explanations provided by the Management, on which we have relied, the Brand Valuation of Kara is estimated on Relief from Royalty models as explained above.

In our considered opinion, Relief from Royalty Method is the most appropriate method since it truly captures the various fundamental drivers of the brand valuation.

Based on the information provided by the Company, the analysis of the above-mentioned Methods, the **brand valuation comes to Rs. 300 Lakhs** as on the valuation date and considering the going concern approach.

9. CONFIDENTIALITY

This report and the information contained herein are absolutely confidential and are intended for the sole use and information of the shareholders and the Board of Directors of the company and for providing select information, only in connection with the purpose set out in the report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued.

10. CAVEATS

1. I, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.
2. If there were any omissions, inaccuracies or misrepresentations of the information provided to us, it may have the effect on my valuation computations. The report assumes that the company comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws and litigations and other contingent liabilities that are not recorded in the financial statement of the company.

My report is subject to the scope of limitations detailed hereinafter.

1. The scope of my work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them.
2. The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report.
3. This Report is issued on the understanding that the Management of the Company has drawn my attention to all matters of which they are aware, which may have an impact on my Report up to the date of signature.

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

4. My Valuation Analysis should not be construed as investment advice, specifically and I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.
5. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Company. In no event shall I be liable to any loss, damage, cost or expense arising in any way from the fraudulent acts, misrepresentations or wilful default on part of Company, their directors, employees or management. However, within the terms of the engagement letter the company is bound to indemnify us against any liability which may result from carrying out this engagement.
6. The fee for the engagement is not contingent upon the results reported.
7. The valuation report is subject to the laws of India and report should be used only for the Internal purpose of the company only.

I am keen to work with you and look forward to future association.

Yours faithfully

CA. Niki Shah

Place: Mumbai

Date: 02-05-2023

Registered Valuer: IBBI/RV/07/2019/12472

UDIN NO -

Niki Darshak Shah

Chartered Accountant

Registered Valuer (Securities & Financial Assets)

Regd. Office: Above N M Medical Diagnostic
Centre, Swastik Building,
Borivali (W), Mumbai – 400092.
Email: niki@snco.in
Mobile No: 9930547923

Annexure

Fair valuation of Kara (Brand valuation)

Fair valuation of Kara

(All figures in lakhs)

Particulars		1st Jan 2023 to 31st March 2023	FY 23- 24	FY 24- 25	FY 25- 26	FY26-27
Timing Factor		0.3	1.3	2.3	3.3	4.3
Sales		231	1,159	1,485	1,965	2,703
Net Royalty savings (3%)		6.94	34.76	44.56	58.96	81.10
Income Tax (notional)		1.75	8.75	11.21	14.84	20.41
After tax Royalty Savings		5.20	26.01	33.34	44.12	60.69
Discounting Factor		0.96	0.81	0.68	0.58	0.49
Present Value (PV) of CF from Royalty		4.98	21.04	22.76	25.41	29.50

Calculation of Royalty Relief Value

Particulars	Amount
Sum of PV of Total Discrete Period Cash Flows	104
PV of Terminal Cash flows	196
Brand Value at 31st Dec 2022	300