

## ANNEXURE- I

### DISCLOSURE OF VERANDA LEARNING SOLUTIONS LIMITED - EMPLOYEE STOCK OPTION PLAN 2022.

**[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014].**

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on website of the Company at <https://www.verandalearning.com/investor/annualreports>.

**(A) Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government and Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:**

Refer Note No. 43 forming part of the standalone financial statements and Note No.52 of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

**(B) Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 – Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:**

Refer Note No. 34 forming part of the standalone financial statements and Note No.44 of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 – Earnings per share.

**(C) Details related to Veranda Learning Solutions Limited - Employee Stock Option Plan 2022.**

Sr. No	Particulars	Details of 2022 Plan
<b>(i)</b>	<b>General terms and conditions of 2022 Plan:</b>	
(a)	Date of shareholders' approval	May 27, 2022
(b)	Total number of options approved under Veranda Learning Solutions Limited - Employee Stock Option Plan 2022	27,88,775 Stock Options. Details of Option Granted refer Annexure-1
(c)	Vesting requirements	<p>All the options granted on any date shall vest not earlier than minimum period of <b>1 (One) year</b> and not later than a maximum period of <b>4 (Four) years</b> from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten, or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.</p> <p>The vesting dates in respect of the options granted under the Plan shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested.</p> <p>Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB &amp; SE Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) to one or more Employee covered under the Plan, on a mutually agreed basis, subject to satisfaction of which the Options would vest.</p>

## ANNEXURE- I (Contd.)

Sr. No	Particulars	Details of 2022 Plan
(d)	Exercise price or pricing formula	<p><b>For Strategic Team:</b> The Exercise Price shall be 50% of the IPO Price.</p> <p><b>For Others forming part of general team:</b> The Exercise Price shall be at 25% discount to Current Market Price at the time of grant.</p> <p>Provided that in any circumstances, the exercise price shall not be less than the face value of the Share as on date of grant of such option.</p>
(e)	Maximum term of options granted	The exercise period would commence from the date of vesting and will expire on completion 6 (Six) years from the date of respective vesting, or such other shorter period as may be decided by the Committee from time to time.
(f)	Source of shares (primary, secondary or combination)	The Plan contemplates issue of fresh/ primary shares by the Company.
(g)	Variation in terms of options	None.
<b>(ii)</b>	<b>Method used to account for ESOS</b>	The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB & SE Regulations. In case, the existing guidance note, or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB & SE Regulations.
<b>(iii)</b>	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	Not applicable.
<b>(iv)</b>	<b>Option movement during the year:</b>	
	Number of options outstanding at the beginning of the period	The Number of options outstanding at the beginning of the period is "5,03,345".
	Number of options granted during the year	The Number of Options granted for the Financial Year 2023-24 is 6,51,400 by Compensation Committee.
	Number of options forfeited/lapsed during the year	25,154 options were forfeited due to resignation of option grantees for the Financial Year 2023-24.

## ANNEXURE- I (Contd.)

Sr. No	Particulars	Details of 2022 Plan
	Number of options vested during the year	1,30,014 options were vested to the option grantees.
	Number of options exercised during the year	46,752 options were converted into Equity Shares by the option grantees for the Financial year 2023-24 .
	Number of shares arising as a result of exercise of options	46,752 Equity Shares
	Money realised by exercise of options (₹),if scheme is implemented directly by the Company	₹ 32,02,512/-
	Loan repaid by the Trust during the year from exercise price received	Not applicable.
	Number of options outstanding at the end of the year	10,82,839 options are outstanding at the end of the year.
	Number of options exercisable at the end of the year	83,262.
(v)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Note 54 of consolidated financial statements
(vi)	<b>Employee wise details of options granted during the FY 2023-24 to:</b>	
(a)	Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Mr Rajesh Pankajakshan, Chief Programme Officer was granted 25,400 options at a exercise price of 68.50
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Mr Bharat Seeman an employee of Subsidiary Company was granted 5,30,000 options.
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a)	Weighted-average values of share price	197.8
	Exercise price	As per the grant letter issued
	Expected volatility	46.67%
	Expected option life	1.5 to 4.5 years
	Expected dividends	0%
	Risk-free interest rate	6.98% to 7.13%
	Any other inputs to the model	Not applicable.

**ANNEXURE- I (Contd.)**

<b>Sr. No</b>	<b>Particulars</b>	<b>Details of 2022 Plan</b>
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise:-	Not applicable.
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of BSE & , NIFTY respectively. Weighted average of these companies has been taken into account for the purpose of calculating fair values to reduce any company specific variations.
(d)	Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition	Not applicable.

**(D) Disclosures in respect of grants made in three years prior to IPO under each ESOS: NIL.**

## a) Details of Stock Options granted:

Particulars	Grant 1	Grant 2	Grant 3
Grant date	July 04, 2022	October 01, 2022	October 03, 2023
Vesting date	As per vesting period of Veranda (ESOP) Plan, 2022	As per vesting period of Veranda (ESOP) Plan, 2022	As per vesting period of Veranda (ESOP) Plan, 2022
Fair Value at Grant Date(In.₹)	₹ 138.08 to ₹ 194.16 on July 04, 2022.	₹ 282.91 on November 10, 2022.	₹ 100.92 to ₹ 144.20 on October 03, 2023
Exercise Price (In.₹)	As per Grant Letter	As per Grant Letter	As per Grant Letter
Options outstanding at the beginning of the year	5,01,445	1,900	-
Options granted during the year	-	-	6,51,400
Options exercised during the year	46,752	-	-
Options Forfeited/Lapsed during the year	25,154	-	-
Balance as at year end	4,29,539	1,900	6,51,400
Exercisable at period end	81,362	1,900	-
Weighted Average remaining contractual life (years)	Refer Note 54 of consolidated financial statements	Refer Note 54 of consolidated financial statements	Refer Note 54 of consolidated financial statements

## a) Fair Value of Stock Options granted:

**Fair Value of Stock Options was calculated using the Black Scholes Model. The Key assumptions used for calculating the option fair value are as follows:**

Grant Date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Market price of grant of the option (in.Rs)	Exercise Price
<b>Assumptions</b>	<b>Zero Coupon Sovereign Bond Interest Rate equivalent for option life</b>	<b>Tenure to vesting of option and half of exercise period assuming even exercise of shares during exercise period</b>	<b>Based on daily volatility for period equivalent for option life</b>	<b>Dividend is calculated as dividend paid in last FY divided by current share price</b>		<b>50% of Reference Share Price or 25% discounted of market rate as on grant date</b>
July 04, 2022	6.99% to 7.28%	4.01 to 7.01 years	40.15% to 43.87%	Nil	235.25	68.5 to 175.43
October 01, 2022	7.15% to 7.27%	4.01 to 7.01 years	39.90% to 43.87%	Nil	328.20	68.5 to 175.43
October 03, 2023	7.00% to 7.09%	4.50 to 7.50 years	54.36%	Nil	179.80	68.5

## COMPLIANCE CERTIFICATE

**[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]**

To,  
The Members,

**Veranda Learning Solutions Limited**

G.R. Complex First floor No. 807- 808,  
Anna Salai, Nandanam,  
Chennai - 600 035

I, **I B Harikrishna, Company Secretary in practice** have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on May 29, 2023 by the Board of Directors of **Veranda Learning Solutions Limited** (hereinafter referred to as '**the Company**'), having CIN: L74999TN2018PLC125880 and having its registered office at G.R. Complex, First floor, No. 807-808, Anna Salai, Nandanam, Chennai -600 035. This Certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations") for the year ended March 31, 2024.

**Management Responsibility:**

It is the responsibility of the Management of the Company to implement the scheme(s) including designing, maintaining records and devising proper systems and effective internal controls to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Verification:**

The Company has implemented "Veranda Learning Solutions Limited – Employee Stock Option Plan 2022" (herein after referred as "ESOP Plan 2022") in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") by Special Resolution passed at the Extra Ordinary General Meeting held on May 27, 2022 and subsequently extended to the employees of Associate Company(ies) by Special Resolution passed at the Annual General Meeting held on September 30, 2022.

For the purpose of verifying the compliance of the Regulations, I have examined the following documents:

1. Scheme received from/furnished by the Company;
2. Articles of Association of the Company;
3. Minutes of the Meeting of the Board of Directors;

4. Minutes of the General Meeting held for approving the Scheme;
5. Minutes of the Meeting of the Nomination and Remuneration Committee;
6. Detailed Terms and Conditions of the Scheme as approved by Nomination and Remuneration Committee;
7. Disclosure in Statutory Auditor's report and Director's Responsibility Statement w.r.t relevant Accounting Standards as prescribed by the Central Government;
8. Certificate obtained by the Company from Practicing Company Secretary confirming the receipt of exercise price against the exercise of options by the eligible employees of the Company under the scheme during the financial year;
9. Exercise Price/Pricing formula stated under the Scheme;
10. Disclosure by the Board of Directors in its Board's Report approved during the financial year ended on March 31, 2024;
11. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

**Certification:**

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that the Company has implemented the scheme in accordance with the applicable provisions of the Regulations and Resolution(s) passed by the Company in the General Meeting held on May 27, 2022.

**Assumption & Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information as furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. We have relied upon on the compliance of accounting standards as mentioned in Regulation 15 of the SBEB regulations based on

- the Auditor's report provided by the Statutory Auditors of the Company and statement made by the Directors in their Director's Responsibility Statement.
4. The NRC has determined the exercise price of the options in accordance with the relevant Accounting Standard prescribed by Central Government read with the 'Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time.
  5. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
  6. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **IBH & Co.**,  
Company Secretaries  
FRN: S2011KR152500

**CS I B Harikrishna**

Company Secretary  
Membership No.: 5829

C.P. No: 5302

PR No.: 1281/2021

Place: Chennai

Date: September 03, 2024 UDIN: F005829F001097766