

Annexure – A

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. 41 forming part of the standalone financial statements and Note No.47 of the consolidated financial statements for the FY 2022-23. 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. 32 forming part of the standalone financial statements and Note No.39 of the consolidated financial statements for the FY 2022-23. 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
(i)	General terms and conditions of 2022 Plan:	
(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 will be granted over the Period of the Plan.
(c)	Vesting requirements	<p>All the options granted on any date shall vest not earlier than minimum period of 1 (One) year and not later than a maximum period of 4 (Four) years 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 & 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>
(d)	Exercise price or pricing formula	<p>For Strategic Team:</p> <p>The Exercise Price shall be 50% of the IPO Price.</p> <p>For Others forming part of general team:</p> <p>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	Not applicable.

Sr. No Particulars	Details of 2022 Plan
(ii) Method used to account for ESOS	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.
(iii) 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.
(iv) Option movement during the year: Number of options outstanding at the beginning of the period	The Number of options outstanding at the beginning of the period is "NIL".
Number of options granted during the year	The Shareholders approved Veranda Learning Solutions Limited - Employee Stock Option Plan 2022 on May 27, 2022 and amended on October 6, 2022. 27,88,775 Stock Options approved by the shareholders under Employee Stock Option Plan 2022. "NIL" Options granted during the F.Y. 2021-22. 8,85,673 options are granted by Compensation Committee at its meeting held on July 4, 2022.
Number of options forfeited/lapsed during the year	1,900 options are granted by Nomination and Remuneration Committee at its meeting held on November 10, 2022. 3,84,228 options was lapsed during the year due to resignation of option grantees.
Number of options vested during the year	NIL
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not applicable
Loan repaid by the Trust during the year from exercise price received	Not applicable.
Number of options outstanding at the end of the year	5,03,345 options are outstanding at the end of the year.
Number of options exercisable at the end of the year	NIL.
(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	Applicable.
(vi) Employee wise details of options granted during the FY 2022-23 to:	
(a) Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Refer Annexure – 2.
(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option	NIL

Board's Report to the Shareholders (Contd.)

Sr. No	Particulars	Details of 2022 Plan
(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	₹ 254.57
	Exercise price	₹ 68.50 to ₹ 175.43
	Expected volatility	39.90% to 43.87 &
	Expected option life	4.01 to 7.01
	Expected dividends	0
	Average Risk-free interest rate	6.99 % to 7.28 %.
	Any other inputs to the model	
(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 NIIT LIMITED, NIFTY IT 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.

Annexure-1

a) Details of Stock Options granted:

Particulars	Grant 1 & 2
Grant date	July 4, 2022 and November 10, 2022
Vesting date	As per vesting period of Veranda (ESOP) Plan, 2022 – Please Refer the Board Report under Significant Events
Fair Value at Grant Date(In. ₹)	₹ 138.08 to ₹ 194.16 on July 4, 2022 ₹ 282.91 on November 10, 2022
*Exercise Price (In. ₹)	As per Grant Letter
Options outstanding at the beginning of the year	-
Options granted during the year	8,87,573
Options exercised during the year	-
Options forfeited during the year	-
Options lapsed during the year	3,84,228
Balance as at year end	5,03,345
Exercisable at period end	-
Weighted Average remaining contractual life (years)	5.71 Years

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		
Assumptions	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of option and half of exercise period assuming even exercise of shares during exercise period	Based on daily volatility for period equivalent for option life	Dividend is calculated as dividend paid in last FY divided by current share price	Market price of grant of the option (in. ₹)	Exercise Price
July 4, 2022	6.99% to 7.28%	5 to 7 Years	40.15% to 43.87%	NA	235.25	68.50 to 175.43
November 10, 2022	7.15% to 7.27%	7 years	39.90% to 43.87%	NA	328.20	68.50