REPORT OF THE INDEPENDENT DIRECTORS COMMITTEE OF VERANDA LEARNING SOLUTIONS LIMITED ("VLS" OR "AMALGAMATED COMPANY" OR THE "COMPANY") RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT AMONGST THE COMPANY, VEARNDA XL LEARNING SOLUTIONS PRIVATE LIMITED ("VXLS") AND J.K.SHAH COMMERCE EDUCATION LIMITED ("JSCEL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON SEPTEMBER 11,2025 AT CHENNAI

The following members of the Committee of Independent Directors were present at the Meeting:

(i) Mr. S. Lakshminarayanan
(ii) Mrs. Revathi S. Raghunathan
(iii) Mr. P. B. Srinivasan
(iv) Mr. Ashok Misra
(v) Ms. N. Alamelu

1. Background

1.1. A meeting of the Independent Directors Committee of the Company was held on September 11, 2025 , to consider and, if thought fit, to recommend to the Board of Directors of the Company, the proposed scheme of arrangement amongst the Company, Veranda XL Learning Solutions Private Limited (CIN: U80100TN2019PTC126711) ("**VXLS**" or "**Amalgamating Company**") and J.K. Shah Commerce Education Limited (CIN: U85306TN2025PLC183247) ("**JSCEL**" or the "**Resulting Company**") (Company, VXLS and JSCEL collectively referred to as, the **"Companies"**) and their respective shareholders and creditors pursuant to Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 (**"Companies Act"**) and the rules and/or regulations made thereunder, including Companies (Compromises, Arrangements and Amalgamations) Rules 2016, Section 2(19AA) and Section 2(1B) read with other relevant provisions of the Income Tax Act, 1961 (**"IT Act"**), rules, regulations and circulars issued by Securities and Exchange Board of India ("**SEBI**"), including applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 on scheme of arrangement by listed companies and relaxation under Sub-Rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 ("**SEBI Scheme Circular**") and all other applicable laws, rules, regulations and circulars, in each case, including any statutory modification(s), re-enactment(s) or amendment(s) thereof for the time being in force and the relevant provisions of memorandum of association and articles of association of the Company.

1.2. The Company is a listed public limited company within the meaning of the Companies Act. The shares of the company are listed on National Stock Exchange of India Limited and BSE Limited (**"Stock Exchanges"**).

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1.3. VXLS is a private company incorporated under the provisions of the Companies Act. The Company beneficially holds 100% (One Hundred Percent.) of the share capital of VXLS thereby making it a wholly owned subsidiary of the Company.

1.4. JSCEL is a public limited company incorporated under the provisions of the Companies Act. The shares of JSCEL are currently not listed on any stock exchange. The Company beneficially holds 100% (One Hundred Percent.) of the share capital of JSCEL thereby making it a wholly owned subsidiary of the company.

1.5. In terms of the SEBI Scheme Circular, a report from the Independent Directors Committee ("**Committee**") recommending the draft Scheme is required, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Company. This report of the Independent Directors Committee has been made in compliance with the requirements of the SEBI Scheme Circular issued by SEBI pursuant to the Listing Regulations.

1.6. The following documents were placed before the Committee for its consideration:

(i) Draft Scheme;

(ii) Valuation Report on Share Entitlement Ratio (*as defined in the Scheme*) ("**SER Report**") issued by M.s Vandana Sankhala (IBBI Registration No. IBBI/RV/06/2019/11578) an independent registered valuer, basis which, the Resulting Company shall issue shares to the members of the Company;

(iii) Fairness Opinion Report ("**Fairness Opinion**") issued by Systematix Corporate Services Limited an independent SEBI Registered Category-I Merchant Banker, providing its opinion on the fairness of the Share Entitlement Ratio as provided in the SER Report;

(iv) The draft auditor's certificates to be issued by Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of the Company, as required under Section 232(3) of the Companies Act certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013;

(v) Undertaking of the Company confirming non-applicability of the conditions specified in Paragraph (A)(10)(a) read with (A)(10)(b) of Part I of SEBI Scheme Circular along with the draft Certificate to be issued by Deloitte Haskins & Sells , Chartered Accountants, the Statutory Auditors of the Company, certifying the said undertaking under Paragraph (A)(10)(c) of Part I of SEBI Scheme Circular.

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2. **Salient Features of the Scheme**

2.1. The Committee discussed and noted the salient features of the Scheme, which are set out below:

(i) The Amalgamation (*as defined in the Scheme*) of VXLS into and with VLS ; in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act and the rules made thereunder and Section 2(1B) read with other relevant provisions of the IT Act;

(ii) The Demerger (*as defined in the Scheme*) of Demerged undertaking (*as defined in the Scheme*) of Demerged Company (*as defined in the Scheme*) into the Resulting Company on a going concern basis and in consideration of the issuance of Resulting Company New Equity Shares (*as defined in the Scheme*) by JSCEL to all the shareholders of VLS as on the Record Date (*as defined in the Scheme*) and in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act and the rules made thereunder and Section 2 (19AA) read with other relevant provisions of the IT Act; and

(iii) Reduction and cancellation of the pre-scheme share capital of JSCEL.

(iv) Various other matters consequential or otherwise integrally connected therewith, including changes to the share capital of VLS.

2.2. There will not be any issue of fresh equity shares on account of Amalgamation since the entire issued, subscribed and paid-up share capital of VXLS is entirely held VLS either in its own name or through its nominees.

2.3. Upon the Scheme becoming effective, JSCEL shall, as per the Share Entitlement Ratio, issue and allot the Resulting Company New Equity Shares (*as defined in the Scheme*) to the members of VLS who are holding fully paid-up equity shares as on the Record Date in the following manner:

for every 1 (One) fully paid-up equity share of face value of INR 10 (Indian Rupees Ten) each held in the Demerged Company, 1 (One) fully paid-up equity share of face value of INR 10 (Indian Rupees Ten) in the Resulting Company

2.4. Upon the Scheme becoming effective, the Resulting Company shall issue Resulting Company Share Warrants of the Resulting Company to every warrant holder of the Demerged Company which are outstanding as on the Record Date in the following manner:

for every 1 (One) Demerged Company Share Warrant held by the holders, 1 (One) Resulting Company Share Warrant of the Resulting Company"

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2.5. As the Share Entitlement Ratio is 1:1, i.e., the price of equity shares of Demerged Company and the Resulting Company is the same, upon effectiveness of this Scheme, the exercise price of the stock options granted under the ESOP Scheme of the Demerged Company shall be equally split between the Resulting Company Employee Stock Options and the stock options of the Demerged Company outstanding as on the Record Date, such that the aggregate amount payable by the relevant employee for exercise of his stock options of the Demerged Company and the Resulting Company Employee Stock Options remains the same. The details of stock options granted by the Demerged Company as on [11 September 2025] is as under

Grant No	Grant Date	Total Options	Current Exercise Price	New Exercise Price	
				Demerged Company	Resulting Company
1.	04 July 2022	860696	68.50	34.25	34.25
2.	04 July 2022	24977	175.43	87.715	87.715
3.	10 November 2022	1900	68.50	34.25	34.25
4.	23 September 2023	631400	68.50	34.25	34.25
5.	23 September 2023	20000	138.49	69.245	69.245
6.	26 April 2024	25000	68.50	34.25	34.25
7.	05 August 2024	98655	68.50	34.25	34.25
8.	05 August 2024	246300	225	112.50	112.50
9.	11 September 2025	27000	68.50	34.25	34.25
10.	11 September 2025	10000	171.38	85.69	85.69

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2.6. The Resulting Company New Equity Shares (*as defined under the Scheme*) shall rank *pari passu* with the existing equity shares of the JSCEL. The Resulting Company New Equity Shares and Resulting Company Share Warrants shall be subject to, and governed by, the memorandum and articles of association of JSCEL.

2.7. The equity shares of JSCEL will be listed and/ or admitted to trading on the Stock Exchanges in compliance with the Listing Regulations, Securities Contract (Regulation) Act, 1957, SEBI Scheme Circular and other relevant provisions under applicable laws.

2.8. The First Appointed Date (*as defined in the Scheme*) for the proposed Scheme is the Effective Date (*as defined in the Scheme*) or such other date as may be mutually agreed by the Boards of the Amalgamating Company and the Company and approved by the NCLT, being the date with effect from which the Amalgamation of the Amalgamating Company into and with the Company in terms of Part II of the Scheme shall take effect. The Second Appointed Date (*as defined in the Scheme*) for the proposed Scheme is the business day immediately succeeding the First Appointed Date or such other date as may be mutually agreed by the Boards of the Company and Resulting Company and approved by the NCLT, being the date with effect from which the Demerger of the Demerged Undertaking from the Company into the Resulting Company in terms of Part III of the Scheme shall take effect.

2.9. The Effective Date for the proposed Scheme is the last date on which the certified copies of the order(s) obtained from the NCLT sanctioning this Scheme is filed by each of the Companies with the Registrar of Companies.

2.10. The Scheme is and shall be subject to certain conditions precedent therein, including:

(i) receipt of observation or no-objection letter by the Company from the SEBI/Stock Exchanges under Regulation 37 of the Listing Regulations, in accordance with the SEBI Scheme Circular; and

(ii) Sanction of the Scheme by the NCLT and the sanction order of the NCLT approving the Scheme being filed with the Registrar of Companies, Chennai by each of the Companies.

3. **Rationale / Objectives of the Scheme -** The Committee noted the rationale and the benefits of the Scheme which, inter alia, are as stated below:

3.1. **Part A: Amalgamation of VXLS into and with VLS:**

(i) VXLS is primarily engaged in the business of providing quality education within the commerce education spectrum coaching and houses the operations of 'JK Shah' classes, a pioneer in the CA coaching space.

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(ii) VLS proposes to consolidate the 'commerce' business operations undertaken by it along with the businesses undertaken by its subsidiaries. In view of the same, VXLS is proposed to be amalgamated into and with VLS on and with effect from the First Appointed Date. Further, having a layered structure is creating operational inflexibilities on areas such as cash management, operational overheads and increased corporate filings. In view of the same, the proposal is to amalgamate VXLS into and with the VLS to:

(a) enable appropriate consolidation of activities of VXLS and VLS with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters;

(b) achieve consolidation, greater integration and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity;

(c) achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity which can be deployed more effectively to fund organic and inorganic growth opportunities; and

(d) save costs as a result of flow from more focused operational efforts, rationalization, standardization and simplification of business processed, elimination of duplication and rationalization of administrative expenses.

(e) The Amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

3.2. **Part B: Demerger of Commerce Education Business from VLS into JSCEL**

(i) In order to achieve the objective referred to above, the Commerce Education Business (*as defined in the Scheme*) of the Demerged Company is proposed to be demerged into JSCEL on and with effect from the Second Appointed Date, and after successful completion of the Amalgamation of VXLS into and with the Company in terms of the Scheme. Consequent to the Demerger, the Resulting Company New Equity Shares issued by the Resulting Company will be listed on the Stock Exchanges after seeking an exemption from compliance with Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957, in terms of Rule 19(7) of Securities Contracts (Regulation) Rules, 1957 read with the SEBI Scheme Circular.

(ii) The Demerger is expected to result *inter alia* in the following:

(a) In light of the distinctive profile of the Commerce Education Business, housing the same in a separate listed entity would enable crafting of the next horizon of growth and sustained value creation for shareholders through sharper focus on the business

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anchored on a differentiated strategy aligned with industry specific market dynamics.

(b) JSCEL is a newly incorporated entity which will have the ability to raise capital from equity and debt markets towards funding its growth requirements;

(c) JSCEL, as a focused entity, would attract the right sets of investors, strategic partners and collaborators, whose investment strategies and risk profiles are aligned more sharply with the Commerce Education Business;

(d) The Scheme would unlock the value of the Commerce Education Business for existing shareholders of JSCEL through independent market driven valuation of their shares in JSCEL which will be listed pursuant to the Scheme, along with the option and flexibility to remain invested in a pure play Commerce Education Business focused listed entity.

(e) This Scheme will ensure long term stability and strategic support to JSCEL and also enable the leveraging of cross synergies between the two companies.

3.3. **Part C: Reduction and cancellation of the pre-scheme share capital held by VLS in JSCEL**

Upon successful completion of the Demerger in terms of Part III of the Scheme, the entire pre-scheme share capital of JSCEL held by VLS shall be cancelled and reduced in accordance with Part IV of this Scheme to ensure independent holding of the entities in the hands of the shareholders without any cross holding.

4. **Need for the Arrangement**

4.1. VLS is a company listed on the Stock Exchanges and is predominantly involved in providing education and allied services in disciplines such as government test preparations, commerce, information technology, software and other support services towards primary, secondary and tertiary education. Over the past two years, VLS has developed the Commerce Education Business primarily focusing on test preparations for chartered accountancy (“**CA**”) and allied courses, examinations and upskilling programmes in association with the National Skill Development Centre initiative of the Government of India. The acquisition of marquee players in the CA test preparation space such as ‘JK Shah’ classes, Tapasya Educational Institutions, BB Virtuals / Publications, Navkar Coaching Institute, either directly by VLS or through its subsidiaries, has enabled VLS to reach / achieve a dominant position in the market.

4.2. The Committee has realized the need to carve-out the Commerce Education Business to concentrate on the development of the specific vertical, attract new investors and unleash its independent value. The Scheme is being proposed to achieve this objective.

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4.3. VLS engages in operations across various segments within the examination training sector, including the commerce education segment. Over time, the commerce education business has matured significantly and is now well-positioned to pursue its own growth trajectory as a standalone listed entity within the rapidly expanding education industry. It will continue to benefit from the Company's institutional strengths, strong brand equity, and established goodwill.

4.4. To enable this transition, a scheme of arrangement is proposed to amalgamate VXLS with VLS and demerge the Commerce Education business from the Company's other operations into JSCEL and subsequent listing of JSCEL as an independent entity dedicated to Commerce Education. The proposed Scheme aims to:

(i) Enable focused and accelerated growth by allowing JSCEL to pursue a differentiated strategy tailored to the dynamics of the education sector;

(ii) Offer shareholders enhanced flexibility, giving them the choice to invest in a pure-play commerce education business;

(iii) Optimize capital structure and attract a distinct set of investors, strategic partners, lenders, and stakeholders with specific interest in the education domain;

(iv) Unlock shareholder value by creating a dedicated platform for Commerce Education with clear strategic direction and operational independence.

5. Scheme Not Detrimental to the Shareholders of the Company

5.1. The Committee discussed and deliberated upon the rationale and salient features of the Scheme, including as below:

(i) JSCEL will issue and allot equity shares, as per the Share Entitlement Ratio, to the shareholders of the Company, in the manner as set out in Part III of the Scheme, and in accordance with the recommendation under the SER Report and the Fairness Opinion.

(ii) As the Share Entitlement Ratio is 1:1, the allotment of Resulting Company New Equity Shares pursuant to the Scheme will not result in any shareholders being issued fractional shares or fractional entitlements.

(iii) Equity shares issued by JSCEL pursuant to the Demerger shall rank pari passu in all respects with the existing shares of JSCEL. The shares of JSCEL shall be listed and/or admitted to trading on Stock Exchanges after seeking an exemption from compliance with Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957, in terms of Rule 19(7) of Securities Contracts (Regulation) Rules, 1957 read with the SEBI Scheme Circular.

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5.2. There will be no detrimental impact on the shareholders of the Company due to the proposed Scheme, given all the shareholders of the Company shall, upon Amalgamation followed by the Demerger, be the ultimate beneficial economic owners of JSCEL and upon allotment of equity shares of JSCEL as per Share Entitlement Ratio recommended under the SER Report, the ultimate beneficial economic interest of the shareholders in the share capital of JSCEL shall be the same as in the share capital of the Company. That is, shareholders of the Company will have direct interest over JSCEL through 100% of the share capital proposed to be issued by JSCEL

5.3. The shareholders of the Company will have the option and flexibility to remain invested in a pure play commerce education focused listed entity. Further, the shareholders of the Company will also inter alia benefit from the Company's strategic support to JSCEL, long term stability of JSCEL under the proposed Demerger and continued access to synergies for both the Company and JSCEL.

5.4. Additionally, the Committee noted that the Share Entitlement Ratio under the Scheme is fair and in light of the rationale set out in the Scheme and hereinabove, noted that the Scheme was beneficial to the shareholders of the Company

6. Recommendation of the Independent Directors Committee

The Independent Directors Committee after due deliberations and due consideration of all the terms of the draft Scheme, the above rationale, the SER Report, Fairness Opinion and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Company, recommends the draft Scheme for favorable consideration and approval by the Board of Directors of the Company, Stock Exchanges and other appropriate authorities.

Veranda Learning Solutions Limited ★

Mr. S Lakshminarayanan
Chairman of the Meeting
Independent Directors Committee
DIN: 01753098

Date: September 11,2025
Place: Chennai