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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number 001-37968

YATRA ONLINE, INC.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

Gulf Adiba, Plot No. 272
4th Floor, Udyog Vihar, Phase-II
Sector-20, Gurugram-122008, Haryana, India
(+91 124) 4591700
(Address of principal executive offices)

Dhruv Shringi
Chief Executive Officer
Gulf Adiba, Plot No. 272
4th Floor, Udyog Vihar, Phase-II
Sector-20, Gurugram-122008, Haryana, India
(+91 124) 4591700
(Name, Telephone, E-mail and/or facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value \$0.0001 per share	YTRA	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2020, 41,131,975 ordinary shares, par value \$0.0001 per share, 2,392,168 Class A non-voting shares, par value \$0.0001 per share, and 2,098,594 Class F shares, par value \$0.0001 per share, were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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CONVENTIONS USED IN THIS ANNUAL REPORT

In this Annual Report, references to "U.S.," the "United States" or "USA" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India. References to "\$", "US\$" and "U.S. Dollars" are to the lawful currency of the United States of America, and references to "Rs." "INR" and "rupee" each refer to the Indian rupee, the official currency of the Republic of India.

The data provided herein expressed in Indian rupees per U.S. dollar is based on the noon buying rate in The City of New York for cable transfers of Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York. On March 31, 2020, the exchange rate between the U.S. dollar and the Indian rupee expressed in Indian rupees per U.S. dollar was \$1.00 = Rs. 75.39. We make no representation that the Indian Rupee amounts represent U.S. dollar amounts or have been, could have been or could be converted into US dollars at such rates or any other rates.

On December 16, 2016, we converted our preference shares into ordinary shares, par value \$0.0001 per share, of the Company, or Ordinary Shares, and effectuated a reverse 5.4242194-for-one share split of our Ordinary Shares as well as a reverse 5.4242194-for-one adjustment with respect to the number of Ordinary Shares underlying our share options and a corresponding adjustment to the exercise prices of such options. Unless otherwise specifically stated or the context otherwise requires, all share information and per share data included in this Annual Report prior to December 16, 2016 has been presented on a post-share split basis.

In addition, on December 16, 2016, we completed the business combination with Terrapin 3 Acquisition Corporation, or Terrapin 3, pursuant to which Terrapin 3 became our partially owned subsidiary, which is referred to herein as the Business Combination. Terrapin 3 is now known as Yatra USA Corp, or Yatra USA.

Unless otherwise indicated, our consolidated statement of financial position as of March 31, 2020, 2019 and 2018 and the related consolidated statements of profit or loss and other comprehensive loss, changes in equity and cash flows for each of the three years in the period ended March 31, 2020, included elsewhere in this Annual Report have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. References to a particular "fiscal year" are to our fiscal year ended March 31 of that year. Our consolidated financial statements as of March 31, 2020 and 2019 reflect our April 1, 2018 adoption of the new revenue recognition standard, IFRS 15 *Revenue from Contract with Customers*, or IFRS 15, pursuant to which upfront cash incentives, loyalty programs costs for customer inducement and acquisition costs for promoting transactions across various booking platforms, some of which, when incurred, were previously recorded as marketing and sales promotion costs, are now recorded as an offset of revenue. We have adopted the new standard by using the modified retrospective approach and accordingly our financial statements for the years ended March 31, 2018 have not been retrospectively adjusted. Our fiscal quarters end on June 30, September 30, December 31, and March 31. References to a year other than a "fiscal" year are to the calendar year ended December 31. We refer in various places within this Annual Report to Adjusted Revenue, Adjusted EBITDA (Loss), Adjusted Results from Operations, Adjusted Loss for the Period, Adjusted Basic Loss Per Share and Adjusted Diluted Loss Per Share, which are non-IFRS measures. The presentation of non-IFRS measures is not meant to be considered in isolation or as a substitute for our consolidated financial results prepared in accordance with IFRS. See "Item 5. Operating and Financial Review and Prospects."

INDUSTRY AND MARKET DATA

In this Annual Report, we rely on and refer to information and statistics regarding the travel service industry and our competitors from market research reports and other publicly available sources. We have supplemented such information where necessary with our own internal estimates and information obtained from discussions with our customers, taking into account publicly available information about other industry participants and our management's best view as to information that is not publicly available. While we believe that all such information is reliable, we have not independently verified industry and market data from third-party sources. In addition, while we believe that our internal company research is reliable and the definitions of our industry and market are appropriate, neither our research nor these definitions have been verified by any independent source. Further, while we believe the market opportunity information included in this Annual Report is generally reliable, such information is inherently imprecise. Projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us. See "Special Note Regarding Forward-Looking Statements."

TRADEMARKS

We operate under a number of trademarks and trade names, including, among others, "Yatra" and "Travelguru." This Annual Report contains references to our trademarks and trade names and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this Annual Report constitute forward-looking statements that do not directly or exclusively relate to historical facts. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to our operations and business environment all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook" and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following:

- the outcome of the legal proceedings we have instituted against Ebix, Inc. ("Ebix"), and any other legal proceedings that may be initiated against us and others, in connection with the termination of the pending Merger Agreement between us and Ebix;
- the effect that the termination of the Merger Agreement may have on the price of our Ordinary Shares, and our business, financial condition and results of operations;
- the impact of the COVID-19 pandemic;
- our ability to generate positive cash flow and the sufficiency of our operating cash flow to meet our liquidity needs;
- our future financial performance, including our revenue, cost of revenue, operating expenses and our ability to achieve and maintain profitability;
- the impact of increasing competition in the Indian travel industry and our expectations regarding the development of our industry and the competitive environment in which we operate;
- the slowdown in Indian economic growth and other declines or disruptions in the Indian economy in general and travel industry in particular, including disruptions caused by safety concerns, terrorist attacks, regional conflicts, pandemics and natural calamities;
- our ability to successfully negotiate our contracts with airline suppliers and global distribution system, or GDS, service providers and mitigate any negative impacts on our revenue that result from reduced commissions, incentive payments and fees we receive;
- the risk that airline suppliers (including our GDS service providers) may reduce or eliminate the commission and other fees they pay to us for the sale of air tickets;
- our ability to pursue strategic partnerships and the risks associated with our business partners, including the potential bankruptcy, restructuring, consolidation or alliance of any of our partners, the credit worthiness of our business partners, the possible obligation to make payments to these partners and our dependence on a small number of such partners for a significant percentage of our revenue;
- the insolvency of Jet Airways (India) Ltd., or Jet Airways, and the potential impact of this and other recent developments in the Indian travel industry on our profitability and financial condition;
- political and economic stability in and around India and other key travel destinations;
- geopolitical risk and changes in applicable laws and regulations;

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- fluctuations in exchange rates between the Indian rupee and the U.S. dollar, Euro, British pound sterling or other major currencies;
- the risk that compliance with rules and requirements applicable to public companies, including fulfilling our obligations as a foreign private issuer and maintaining proper and effective internal controls over financial reporting, will be expensive and time consuming;
- our ability to maintain and/or expand relationships with, and develop new relationships with, travel companies and travel research companies as well as online travel agents, or OTAs;
- our reliance on third-party systems and service providers, including our recently outsourcing of certain of our call center services, and the impact any disruption or adverse change in their business or deterioration in the quality of their performance may have on our business;
- we may be subject to proceedings or claims arising from travel-related accidents and or other legal, administrative or regulatory proceedings;
- the ability to adapt services to changes in technology or the marketplace and successfully incorporate new features, improvements and strategies;
- our ability to increase the number of visits to our search platform and referrals to our advertisers;
- our ability to successfully implement our growth strategy;
- our ability to maintain and increase our brand awareness;
- the growth in the usage of mobile devices and our ability to successfully monetize this usage;
- potential difficulty in collecting payments in a timely manner on our outstanding accounts receivables from customers;
- our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to us;
- our reliance on search engines, which may change their algorithms;
- risks associated with online commerce security;
- our ability to protect our intellectual property;
- fluctuations in quarterly results and the potential impact of such fluctuations on the value of our Ordinary Shares;
- the significant influence our large shareholders have over our company;
- our ability to attract, train and retain executives and other qualified employees, including suitable replacements for any members of our senior management team or other employees who may seek other employment opportunities as a result of the certain cost reduction initiatives that we have taken in response to the COVID-19 pandemic, including salary reductions and freezes;
- our ability to realize the anticipated benefits of any past or future acquisitions, including our acquisition of Air Travel Bureau Private Limited (formerly known as Air Travel Bureau Limited), or ATB and our acquisition of TCIL; and
- risks relating to the possibility of an adverse tax judgment.

We have based the forward-looking statements contained in this Annual Report on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, business strategy and financial needs. You are cautioned to consider these and any other factors discussed in the section entitled "Risk Factors"

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elsewhere in this Annual Report. These risks are not exhaustive. These risks could cause actual results to differ materially from those implied by forward-looking statements in this Annual Report. Other sections of this Annual Report include additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We do not undertake any obligation to update or revise any forward-looking statements after the date of this Annual Report, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, you should keep in mind that any event described in a forward-looking statement made in this Annual Report or elsewhere might not occur.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Consolidated Financial Data

The following selected consolidated statement of profit or loss and other comprehensive loss data for fiscal years 2020, 2019 and 2018 and the selected consolidated statement of financial position data as of March 31, 2020 and 2019 have been derived from our audited consolidated financial statements included elsewhere in this Annual Report. The selected consolidated statement of profit or loss and other comprehensive loss data for fiscal years 2017 and 2016 and the selected consolidated statement of financial position data as of March 31, 2018 and 2017 have been derived from our audited consolidated financial statements not included in this Annual Report.

The financial data set forth below should be read in conjunction with, and is qualified by reference to, "Item 5. Operating and Financial Review and Prospects" and the consolidated financial statements and notes thereto included elsewhere in this Annual Report. Our consolidated financial statements are prepared and presented in accordance with IFRS as issued by the IASB. Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15, pursuant to which upfront cash incentives, loyalty programs costs for customer inducement and acquisition costs for promoting transactions across various booking platforms, some of which, when incurred, were previously recorded as marketing and sales promotion costs, are now recorded as an offset of revenue. We have adopted the new standard by using the cumulative effect method and, accordingly, the comparative information has not been restated. Our historical results do not necessarily indicate results expected for any future period.

The translations of Indian rupee amounts to US dollars amounts set forth below are solely for the convenience of the reader and are based on the noon buying rate of in The City of New York for cable transfers of INR 75.39 per \$1.00 as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2020. We make no representation that the Indian rupee amounts represent US dollar amounts or have been, could have been or could be converted into US dollars at such rates or any other rates.

The following information should be read in conjunction with, and is qualified in its entirety by reference to, "Item 5. Operating and Financial Review and Prospects" and the audited consolidated financial statements and the notes thereto included elsewhere in this Annual Report.

Consolidated statement of profit or loss and other comprehensive loss (amounts in thousands, except per share data and number of shares)	Fiscal Year Ended March 31,					
	2016 INR	2017 INR	2018 INR	2019 INR	2020 INR	2020 USD
Revenue:						
Air Ticketing	2,876,688	3,656,976	5,012,931	3,449,265	2,609,518	34,613
Hotels and Packages	5,225,136	5,326,414	6,628,236	4,914,420	3,601,798	47,776
Other services	28,885	52,896	105,249	56,419	53,958	716
Other revenue	214,524	320,527	502,097	938,476	994,081	13,186
Total revenue	8,345,234	9,356,813	12,248,513	9,358,580	7,259,355	96,291
Other income	26,662	25,282	90,001	263,785	159,631	2,117
Service cost	4,164,352	4,179,486	4,930,757	4,282,803	2,922,929	38,771
Personnel expenses	1,524,055	2,115,308	2,902,840	2,550,214	1,777,273	23,574
Marketing and sales promotion expenses	1,687,541	2,457,242	4,153,920	809,996	196,209	2,603
Other operating expenses	1,967,162	2,217,887	3,285,530	3,975,805	2,259,261	29,968
Depreciation and amortisation	233,703	275,587	425,600	581,746	666,369	8,839
Impairment of goodwill	—	—	—	—	221,999	2,945
Results from operations	(1,204,917)	(1,863,415)	(3,360,133)	(2,578,199)	(625,054)	(8,292)
Share of loss of joint venture	(11,802)	(9,441)	(10,559)	(12,772)	(10,784)	(143)
Finance income	95,072	139,158	91,912	41,310	58,641	778
Finance costs	(111,973)	(149,863)	(153,056)	(263,290)	(193,287)	(2,564)
Listing and related expense	—	(4,242,526)	—	—	—	—
Change in fair value of warrants—gain/(loss)	(3,167)	230,111	(563,253)	1,667,193	94	1
Loss before taxes	(1,236,787)	(5,895,976)	(3,995,089)	(1,145,758)	(770,390)	(10,220)
Tax (expense) / credits	(6,515)	(40,987)	(56,887)	(47,837)	(69,805)	(926)
Loss for the period	(1,243,302)	(5,936,963)	(4,051,976)	(1,193,595)	(840,195)	(11,146)
Loss attributable to:						
Owners of the Parent Company	1,218,824	(5,901,483)	(3,993,140)	(1,148,203)	(833,808)	(11,060)
Non-controlling interest	(24,478)	(35,480)	(58,836)	(45,392)	(6,387)	(85)
Loss for the period	(1,243,302)	(5,936,963)	(4,051,976)	(1,193,595)	(840,195)	(11,146)
Loss per share						
Basic	(58.10)*	(237.89)	(116.41)	(26.37)	(17.94)	(0.24)
Diluted	(58.10)*	(237.89)	(116.41)	(26.95)	(17.94)	(0.24)
Weighted average number of ordinary shares outstanding used in computing earnings per share						
Basic	20,976,502**	24,807,122**	34,301,152	43,543,991	46,477,249	46,477,249
Diluted	20,976,502**	24,807,122**	34,301,152	44,286,393	46,477,249	46,477,249

* Includes Ordinary Shares which have been issued on account of conversion of mandatorily convertible Preference Shares (Series A to Series F), and have been used in the calculation of weighted average basic earnings per share.

** On December 16, 2016, preference shares issued by Yatra Online, Inc. were converted into Ordinary Shares of Yatra Online, Inc. We thereafter effectuated a reverse 5.4242194-for-one share split of our Ordinary Shares as well as a reverse 5.4242194-for-one adjustment with respect to the number of Ordinary Shares underlying our share options. Consequently, the basic and diluted earnings per share for all periods presented are adjusted retrospectively to reflect the share split.

The following table sets forth a summary of our consolidated statement of financial position as of March 31, 2020, 2019, 2018, 2017 and 2016:

Consolidated Statement of financial position data (amounts in thousands)	March 31					
	2016 INR	2017 INR	2018 INR	2019 INR	2020 INR	2020 USD
Trade and other receivables	1,362,838	1,970,375	3,976,751	4,921,270	2,368,395	31,415
Term deposits	1,024,890	3,027,861	1,012,144	1,029,533	755,324	10,019
Cash and cash equivalents	389,664	1,532,629	2,465,073	2,161,014	1,365,370	18,111
Total assets	5,354,026	9,574,434	11,616,787	12,551,897	8,758,190	116,172
Total equity attributable to equity holders of the company	429,472	3,137,487	(224,918)	2,359,749	1,491,941	19,789
Borrowings	469,433	44,877	851,829	1,176,405	1,525,085	20,229
Trade and other payables	2,267,824	3,148,544	5,049,630	5,268,046	2,887,144	38,298
Total liabilities	4,912,968	6,384,865	11,842,066	10,172,727	7,247,216	96,131
Total equity and liabilities	5,254,026	9,574,434	11,616,787	12,551,897	8,758,190	116,172

Other Data:

The following table sets forth for the periods indicated; certain selected consolidated financial and other data:

Figures in thousands	Fiscal Year Ended March 31,				
	2016	2017	2018	2019	2020
Quantitative details*					
Air Passengers	5,698	6,869	8,875	10,163	8,179
Hotel room nights	1,139	1,383	2,098	2,341	1,200
Holiday packages passengers travelled	130	143	168	134	111
Amount in INR thousands except %					
Gross Bookings**					
Air Ticketing	49,268,781	57,562,263	79,156,190	97,638,313	77,411,328
Hotels and Packages	9,614,004	10,435,643	13,386,288	13,511,914	7,895,916
Total	58,882,785	67,997,906	92,542,478	111,150,227	85,307,244
Adjusted Revenue***					
Air Ticketing	2,876,688	3,656,976	5,012,931	5,708,152	3,957,990
Hotels and Packages	1,060,785	1,146,928	1,697,479	1,880,123	784,605
Others (Including other income)	270,072	398,704	697,347	1,322,738	1,239,833
Total	4,207,545	5,202,608	7,407,757	8,911,013	5,982,428
Net Revenue Margin %****					
Air Ticketing	5.8%	6.4%	6.3%	5.8%	5.1%
Hotels and Packages	11.0%	11.0%	12.7%	13.9%	9.9%

* Quantitative details are considered on Gross basis.

** Gross Bookings represent the total amount paid by our customers for the travel services and products booked through us, including fees and other charges, and are net of cancellations and refunds.

*** As certain parts of our revenue are recognized on a "net" basis and other parts of our revenue are recognized on a "gross" basis, we evaluate our financial performance based on Adjusted Revenue, which is a non IFRS measure. We believe that Adjusted Revenue provides investors with useful supplemental information about the financial performance of our business and more accurately reflects the value addition of the travel services that we provide to our customers. The presentation of this non IFRS information is not meant to be considered in isolation or as a substitute for our consolidated financial results prepared in accordance with IFRS as issued by the IASB. Our Adjusted Revenue may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

**** Net Revenue Margins are defined as Adjusted Revenue as a percentage of Gross Bookings.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this Annual Report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer.

Risks Related to the Global Health Pandemic from COVID-19

The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position.

The COVID-19 pandemic has severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. In response to the pandemic, the governments of many countries, states, cities and other geographic regions have implemented containment measures, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Individuals' ability to travel has been curtailed through border closures across the world, mandated travel restrictions and limited operations of hotels and airlines, and may be further limited through additional voluntary or mandated closures of travel-related businesses. The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new air travel, hotel and holiday bookings. Due to the high degree of cancellations and customer refunds and lower new bookings in our Air Ticketing and Hotels and Packages segments, we are experiencing unfavorable working capital trends and material negative cash flow. This is expected to continue until cancellations stabilize and travel demand begins to recover from current levels, at which time Ticketing, including air travel, and Hotel and Packages bookings and cash flow are expected to increase.

We have implemented certain measures and modified certain policies in light of the COVID-19 pandemic. For example, we have largely automated our re-scheduling and cancellation of bookings and provided our customers greater flexibility to defer or cancel their travel plans. In addition, we have also undertaken certain cost reduction initiatives, including implementing salary reductions and freezes and

work from home policies, renegotiating fixed costs such as rent, deferring non-critical capital expenditures, reducing our marketing expenses and renegotiating our supplier payments and contracts. We expect to continue to adapt our policies and cost reduction initiatives as the situation evolves. However, any additional measures taken to contain COVID-19 or changes in laws or regulations, whether in the India or other countries, that further impair the ability or desire of individuals to travel, including laws or regulations banning travel, requiring the closure of hotels or other travel-related businesses/activities (such as restaurants, monuments, etc.) or otherwise restricting travel due to the risk of the spreading of COVID-19, may exacerbate the negative impact of the COVID-19 pandemic on our business, financial condition, results of operations, cash flows and liquidity position.

Moreover, the duration and severity of the COVID-19 pandemic are uncertain and difficult to predict. The pandemic could continue to impede global economic activity for an extended period, even as restrictions are lifted, leading to decreased per capita income and disposable income, increased and sustained unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary spending by individuals and businesses on travel. In turn, that could have a negative impact on demand for our services and could lead our partners, or us, to reduce prices or offer incentives to attract travelers. We also cannot predict the long-term effects of the COVID-19 pandemic on our partners and their businesses and operations or the ways that the pandemic may fundamentally alter the travel industry. The aforementioned circumstances could result in a material adverse impact on our business, financial condition, results of operations and cash flows, potentially for a prolonged period.

While we have undertaken certain actions to attempt to mitigate the effects of the COVID-19 pandemic on our business, our reduction initiatives may lead to disruptions in our business, inability to enhance or preserve our brand awareness, reduced employee morale and productivity, increased attrition, and problems retaining existing and recruiting future employees, all of which could have a material adverse impact on our business, financial condition, results of operations and cash flows. For the reasons set forth above and other reasons that may come to light as the COVID-19 pandemic and containment measures expand, it is difficult to estimate with accuracy the impact to our future revenues, results of operations, cash flows, liquidity or financial condition, but such impacts have been and will continue to be significant and could continue to have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity position for the foreseeable future. In the near term, we do expect that the COVID-19 pandemic will impact our financial performance for the fiscal year 2021 more significantly than it impacted the fiscal year 2020 when the outbreak was initially limited to China and other Asian markets in January and February 2020.

To the extent the COVID-19 pandemic adversely affects our business, operations and financial condition and results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Risks Related to the Termination of the Merger with Ebix

The termination of our Merger with Ebix, and related legal proceedings, may materially and adversely affect our results of operations and share price.

On June 5, 2020, we delivered to Ebix our notice of termination of the Merger Agreement with Ebix and filed litigation in the Court of Chancery of the State of Delaware based upon Ebix's breaches of the Merger Agreement and an ancillary Extension Agreement. As alleged in the complaint, Ebix breached its representations, warranties, covenants, and obligations in the Merger Agreement and Extension Agreement and frustrated Yatra's ability to close the Merger.

Although difficult to quantify, we believe that the terminated Merger with Ebix has affected and may, in the future, materially and adversely affect our results of operations, due to the following:

- the restrictions in the Merger Agreement that limited our ability to take certain actions while the Merger was pending;
- the restrictions in the Merger Agreement that limited the cash available to fund our operations due to certain limitations on our ability to raise capital while the Merger was pending;
- diverted management time and attention;
- disruptions to our business and operations, including distraction of our employees while the Merger was pending;
- continued liability for significant Merger-related costs, expenses and fees, including legal, accounting, financial advisory and other costs relating to the Merger, for which we have received little or no benefit because the Merger has not been consummated;
- disruption of our business, including our relationships with our business partners, users, employees and other parties, due to uncertainty over when or if the Merger would be completed; and
- other uncertainties that have impaired our ability to retain, recruit and motivate key personnel.

The occurrence, continuation or exacerbation of any of these events individually or in combination could materially and adversely affect the price of our securities, our business, financial condition and results of operations.

In addition, the legal proceedings we have instituted against Ebix, and any other legal proceedings that may be initiated against us as a result of the termination of or related to the Merger Agreement, likely will result in substantial costs to us, including, without limitation, litigation-related costs. Further, due to the significance of the allegations, claims, and damages at issue, we expect that our officers and directors will spend substantial time focused on the litigation, which may divert their attention from other business-related activities, which could adversely impact our business. The outcome of legal proceedings generally, regardless of the merits, is inherently uncertain and there can be no assurances that we will prevail in the litigation against Ebix. The pursuit of our claims against Ebix, the defense against any potential counterclaims asserted by Ebix, or the settlement or failure to reach a settlement, may result in negative media attention, and may adversely affect the price of our securities, our business, reputation, financial condition and results of operations.

Risks Related to Our Business and Industry

We have a history of operating losses.

We have a history of losses and may continue to incur operating and net losses for the foreseeable future. Yatra's net losses were INR 840.2 million for fiscal year 2020 as compared to a loss of INR 1,193.6 million in fiscal year 2019 and a loss of INR 4,052.0 million in fiscal year 2018. If our revenues grow slower than anticipated, or if our operating expenses exceed expectations, then we may not be able to achieve profitability in the near future or at all, which may depress the price of our Ordinary Shares.

Our revenues and profitability may be adversely affected by increased use of business-related technology, which may reduce the need for business-related travel.

The increased use of teleconference and video-conference technology by businesses, particularly due to and following the COVID-19 pandemic, could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at

meetings without traveling to a centralized meeting location in person. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, business travel demand and our business, revenues and profitability, financial condition and results of operations may be adversely affected.

The Indian travel industry is highly competitive and we may not be able to effectively compete in the future.

The Indian travel industry is highly competitive. Our success depends upon our ability to compete effectively against numerous established and emerging competitors, including other online travel agencies, or OTAs, traditional offline travel companies, travel research companies, payment wallets, search engines and meta-search companies, both in India and abroad, such as Agoda Company Pte. Ltd., Akbar Travels, Amazon India, Booking.com B.V., Cleartrip Pvt. Ltd., Carlson Wagonlit Travel, Expedia Southeast Asia Pte. Ltd., Easy Trip Planners Ltd, Flipkart Pvt. Ltd., Le Travenues Technology Pvt. Ltd. India, MakeMyTrip (India) Pvt. Ltd. (including Ibibo Group), One97 Communications Limited, Oravel Stays Pvt. Ltd., Riya Travel, Tours (India) Private Limited, Ebix, Inc. and in each case including their affiliated and group entities. Our competitors may have significantly greater financial, marketing, personnel and other resources than we have. Factors affecting our competitive success include price, availability of travel products, ability to package travel products across multiple suppliers, brand recognition, customer service and customer care, fees charged to customers, ease of use, accessibility, reliability and innovation. If we are not able to compete effectively against our competitors, our business and results of operations may be adversely affected.

Large, established Internet search engines with a global presence and meta-search companies who can aggregate travel search results compete against us for customers. Certain of our competitors have launched brand marketing campaigns to increase their visibility with customers. Some of our competitors have significantly greater financial, marketing, personnel and other resources than we do and certain of our competitors have a longer history of established businesses and reputations in the Indian travel market as compared with us. Some meta-search sites, including TripAdvisor, Trivago and Kayak, offer the users an ability to make reservations directly on their websites, which may reduce the amount of traffic and transactions available to us through referrals from these sites. If additional meta-search sites begin to offer the ability to make reservations directly, that will further affect our ability to generate traffic to our sites. From time to time, we may be required to reduce service fees and Net Revenue Margins in order to compete effectively and maintain or gain market share.

We may also face increased competition from new entrants in our industry. The travel industry is extremely dynamic and new channels of distribution in the travel industry may negatively affect our market share. Additional sources of competition include large companies that offer online travel services as one part of their business model, such as Alibaba Group Holding Ltd, as well as "daily deal" websites, such as Groupon, Inc.'s Getaways, or peer-to-peer inventory sources, such as Airbnb Inc., HomeAway.com, Inc. and Oravel Stays Pvt. Ltd., which provide home and apartment rentals as an alternative to hotel rooms. The growth of peer-to-peer inventory sources could affect the demand for our services in facilitating reservations at hotels. We cannot assure you that we will be able to successfully compete against existing or new competitors in our existing lines of business as well as new lines of business into which we may venture. If we are not able to compete effectively, our business and results of operations may be adversely affected.

In addition, many airlines, hotels, car rental companies and tour operators have call centers and have established their own travel distribution websites and mobile applications. Suppliers may offer advantages for customers to book directly, such as member-only fares, bonus miles or loyalty points, which could make their offerings more attractive to customers. Some low-cost airlines distribute their online supply exclusively through their own websites and other airlines have stopped providing inventory to certain online channels and attempt to drive customers to book directly on their websites by eliminating or limiting sales of certain airline tickets through third-party distributors. Additionally,

airline suppliers are increasingly promoting hotel supply on their websites in connection with airline tickets. If we are unable to compete effectively with supplier-related travel channels or other competitors, our business and results of operations may be adversely affected.

We also face increasing competition from search engines like Google, Bing and Yahoo!. Search engines have grown in popularity and may offer comprehensive travel planning or shopping capabilities, which may drive more traffic directly to the websites of our suppliers or competitors. Google has increased its focus on appealing to travel customers through its launches of Google Places, Google Flights and Google Hotel Price Ads. Google's efforts around these products, as well as possible future developments, may change or undermine our ability to obtain prominent placement in paid or unpaid search results at a reasonable cost or at all.

There can be no assurance that we will be able to compete successfully against any current and future competitors or on emerging platforms or provide differentiated products and services to our customer base. Increasing competition from current and emerging competitors, the introduction of new technologies and the continued expansion of existing technologies, such as meta-search and other search engine technologies, may force us to make changes to our business models, which could affect our financial condition and results of operations. Increased competition has resulted in and may continue to result in reduced margins, as well as loss of customers, transactions and brand recognition.

The slowdown in Indian economic growth and other declines or disruptions in the Indian economy in general and travel industry in particular could adversely affect our business and financial performance.

Substantially all of our operations are located in India and, therefore, our financial performance and growth are necessarily dependent on economic conditions prevalent in India. The Indian economy may be materially and adversely affected by epidemics, pandemics or other health crises, such as COVID-19, political instability or regional conflicts, a general rise in interest rates, inflation, taxation, adverse movement in foreign exchange rates and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, global trade wars, the repercussions from the June 2016 United Kingdom referendum to withdraw from the European Union, and other matters. The Indian economy is experiencing a slowdown in its economic growth and, according to the World Bank, is expected to contract by 3.2% in fiscal year 2020-2021. The Indian economy could be further adversely impacted by inflationary pressures, any increase or volatility in oil prices, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, initiatives by the Indian government towards demonetization of certain Indian currency in 2016, the Indian government's implementation of a comprehensive nationwide goods and services tax, or GST regime, the relaxation of certain provisions of the Insolvency and Bankruptcy Code (2018), which may impact our ability to recover debts owed to Company, increases in tax rates, a slowdown in lending environment, trade wars with the US and other countries, terrorist attacks, regional conflicts, natural calamities or other catastrophic events and other factors. India also faces major challenges in sustaining its growth, which include the need for substantial infrastructure development and improving access to healthcare and education. The current economic slowdown in the Indian economy, has harmed the travel industry as customers have had less disposable income for their travels, especially holiday travel. In addition, the COVID-19 pandemic and the resulting economic conditions and measures taken to contain the pandemic have resulted in a material decrease in spending and an unprecedented decline in transaction volumes in the Indian travel industry. If the current slowdown in the India's economic growth continues as currently anticipated, it will have a material adverse effect on the demand for the travel products we sell and, as a result, on our financial condition and results of operations.

If the Indian economy as a whole continues to experience a sustained slowdown in growth, or if the COVID-19 pandemic continues in India and globally, our business and results of operations will continue to be adversely affected.

We are exposed to risks associated with Indian businesses, particularly those in the Indian travel industry, including bankruptcies, restructurings, consolidations and alliances of its partners, the credit worthiness of these partners, and the possible obligation to make payments to our partners.

We do nearly all of our business with a wide variety of travel-related companies based in India, including airlines, large hotel chains and others. We are exposed to risks associated with these Indian businesses which risks have recently been heightened by the COVID-19 pandemic, including bankruptcies, restructurings, consolidations and alliances of its partners, the credit worthiness of these partners, and the possible obligation to make payments to our partners. For example, the Indian airline industry in recent years has experienced significant losses and has undergone bankruptcies, restructurings, consolidations and other similar events. Jet Airways, one of the largest private airlines in the India, has ceased operations in April 2019, which has reduced the number of domestic and international flights available to us and negatively impacted our revenue. The bankruptcy and cessation of all operations by Jet Airways has made doubtful the recovery of our receivables from the airline, such as commissions, productivity linked bonus, tax collected at source and refunds for cancelled tickets. The Jet Airways bankruptcy has created, and any future bankruptcies or increased consolidation in the airline industry, could create, challenges for our relationships with airlines, including by reducing the profitability of our airline ticketing business.

Air India has moved to a single GDS service provider platform for its domestic inventory; there can be no assurance that other airline suppliers will not institute similar measures.

Air India, have recently discontinued providing domestic reservation inventory to multiple GDS platforms. Air India now uses one GDS providers for its entire domestic inventory and two GDS providers for its international inventory. As a result of these changes, which we refer to as Reservation Content Movement, our access to ticket inventory through the GDS providers we use and the incentives we receive from such GDS providers for Air India ticketing have decreased. Further, due to Reservation Content Movement, we experienced a shortfall in our Air Ticketing revenue of approximately INR 65.2 million for the fiscal year 2019. We are in the process of renegotiating our existing GDS contracts and there can be no assurance that we will be able to conclude them on favorable terms or at all. There can be no assurance that other major partners will not institute such cost-savings measures, or other measures that would further reduce the ticket inventory available to us. Any such measures by major partners could adversely affect our business and results of operations.

The commission and other fees we receive from airline suppliers (including our GDS service providers) for the sale of air tickets may be reduced or eliminated, and this could adversely affect our business and results of operations.

In our Air Ticketing business, we generate revenue through commissions and incentive payments from airline suppliers, service fees charged to our customers and fees from our GDS service providers. We have experienced a reduction in the commissions and incentive payments we receive from our airline suppliers and the fees we are able to generate through our GDS service providers. The fees we are able to generate from our GDS service providers have been reduced due to Jet Airways' cessation of operations and Reservation Content Movement, which have led to a decrease in our volume of sales transacted on the GDS platforms. As a result, our ability to meet the minimum sales volume thresholds required by our GDS service providers in order to generate revenue have been negatively impacted. We are in the process of renegotiating our existing GDS contracts and there can be no assurance that we will be able to conclude them on favorable terms or at all. To the extent that, in the future, the commissions or incentive payments our airline suppliers pay to us or the fees we generate through our GDS service providers are further reduced or eliminated, our revenue may be further reduced unless we are able to adequately mitigate such reduction by increasing the service fees we charge to our customers in a sustainable manner. Any increase in service fees, to mitigate reductions in or elimination

of commissions or otherwise, may also result in a loss of potential customers. Further, our arrangements with the airlines that supply air tickets to us may limit the amount of service fees that we are able to charge our customers. Our business would also be negatively impacted if competition or regulation in the travel industry causes us to reduce or eliminate our service fees.

We depend on a small number of airline suppliers in India for a significant percentage of our Air Ticketing revenue.

Our growth strategy is heavily dependent on the continued expansion of our Air Ticketing business and our airline supplier relationships. We currently provide our customers with access to seven domestic airlines as well as over 400 international airlines; however, a substantial portion of our Air Ticketing revenue is represented by four domestic airlines. Because the majority of the domestic Indian air travel industry is concentrated among these four domestic airlines, any adverse market developments across the Indian commercial aviation landscape, particularly among the most dominant domestic airlines (the largest Indian airline has nearly 50% of the domestic market share as of June 2019), are more likely to impact our business. For example, the COVID-19 pandemic and the measures implemented to contain the pandemic have had, and are expected to continue to have, a significant negative effect on the Indian air travel industry, the dominant domestic airlines and, by extension, our business, financial condition, results of operations, cash flows and liquidity have also been materially and adversely affected. Further, our dependence on a limited number of domestic airlines means that recent reductions or eliminations in base commissions and incentive payments by these airlines have had, and any further reductions or eliminations in such commissions and payments could have, a material adverse effect on our revenue. Our reliance on a limited number of Indian airlines exposes us to the risks associated with the domestic airline industry, such as rising fuel costs, high taxes, currency depreciation, liquidity constraints and health concerns, such as the COVID-19 pandemic. In addition, our reliance on these airlines increases their bargaining power in price and contract negotiations, and further consolidation of domestic airline suppliers may exacerbate these trends. If one or all of these domestic airlines exert significant price and margin pressure on us, it could materially and adversely affect our business, financial condition and results of operations.

Our business depends on our relationships with a broad range of travel suppliers, and any adverse changes in these relationships, or our inability to enter into new relationships, could negatively affect our business and results of operations.

We rely significantly on our relationships with airlines, hotels, railways, bus lines, activity vendors, GDS service providers and other travel suppliers to enable us to offer our customers comprehensive access to travel services and products. Adverse changes in any of our relationships with travel suppliers, or the inability to enter into new relationships with travel suppliers, could reduce the amount of inventory that we may be able to offer. Our arrangements with travel suppliers are not typically subject to long-term commitments and may not remain in effect on current or similar terms, and the net impact of future pricing options may adversely impact our revenue. Travel suppliers are increasingly focused on driving online demand to their own websites and may cease to supply us with the same level of access to travel inventory in the future.

A significant change in our relationships with our major suppliers for a sustained period of time, including an inability by any travel supplier to fulfill their payment obligation to us in a timely manner or a supplier's complete withdrawal of inventory, could have a material adverse effect on our business, financial condition or results of operations. Furthermore, no assurance can be given that our travel suppliers will not further reduce or eliminate fees or commissions or attempt to charge us for content, terminate our contracts, make their products or services unavailable to us as part of exclusive arrangements with our competitors or default on or dispute their payment or other obligations towards us, any of which could reduce our revenue and Net Revenue Margins or may require us to initiate legal

or arbitration proceedings to enforce their contractual payment obligations, which may adversely affect our business and results of operations.

The travel industry is particularly sensitive to safety concerns, and terrorist attacks, regional conflicts, health concerns, such as the COVID-19 pandemic, natural calamities or other catastrophic events could have a negative impact on the Indian travel industry and cause our business to suffer.

The travel industry is particularly sensitive to safety concerns, such as terrorist attacks, regional conflicts, health concerns, such as the COVID-19 pandemic, natural calamities or other catastrophic events. Our business has in the past declined and may in the future decline after incidents, such as those described below, that cause travelers to be concerned about their safety. Decreased travel expenditures could reduce the demand for our services, thereby causing a reduction in revenue.

India has experienced terror attacks in the past, including the coordinated attacks in 2008 in multiple locations in Mumbai and a terrorist attack on security forces in Jammu and Kashmir in 2019, and may experience similar attacks in the future. In recent years, hotels, airlines, airports and cruises have been the targets of terrorist attacks, including in the Gulf of Aden, India, Spain, Egypt, Russia, Turkey, Sri Lanka, France, United Kingdom and Belgium. As many terrorist attacks tend to be focused on tourists or tourist destinations, such acts, even those outside of India or other neighboring countries, may result in a decline in the travel industry and adversely impact our business and prospects.

In addition, South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. There have also been incidents in and near India such as troop mobilizations along the border and terrorist attacks. Such military activity or other adverse social and political events in India in the future could adversely affect the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies or travel to affected regions involve a high degree of risk and could have an adverse impact on our business and the price of our securities. Recently the air space ban over Pakistan for flights from or to India has significantly increased flight times and ticket costs. Furthermore, if India were to become engaged in armed hostilities, we may not be able to continue our operations. The occurrence of any of these events may result in a loss of business confidence and have an adverse effect on our business and results of operations.

The outbreak of severe illnesses, such as COVID-19, the Ebola virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, malaria, H1N1 influenza virus, avian flu and the Zika virus, could materially affect the travel industry, reduce our revenues and adversely impact travel behavior, particularly if they were to persist for an extended period.

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in past years. For example, the state of Kerala in southern India, the states of Assam, Bihar and West Bengal in eastern India, the states of Jammu and Kashmir in northern India, and the state of Maharashtra in western India have each experienced widespread flooding in the current and past few years. Further, tropical cyclones have struck southern and eastern India in the current and past few years, resulting in torrential rains and heavy flooding. The extent and severity of these natural disasters determines their impact on the Indian economy. Substantially all of our operations and employees are located in India and there can be no assurance that we will not be affected by natural disasters, epidemics or disruptions in the future. Furthermore, if any of these natural disasters occur in tourist destinations in India, travel to and within India could be adversely affected, which could have an adverse impact on our business and results of operations.

The occurrence of any of these events could result in changes to customers' travel plans and related costs and lost revenue for our company, as well as the risk of a prolonged and substantial decrease in travel volume, any of which could have a material adverse effect on our business, financial

condition and results of operations. In addition, we expect the economic slowdown in the Indian and global economies arising out of the COVID-19 pandemic could result in a material adverse impact on our business, financial condition, results of operations and cash flows, potentially for a prolonged period.

Our business and financial results are subject to fluctuations in currency exchange rates.

Given the nature of our business, any fluctuation in the value of the Indian rupee against the U.S. dollar, Euro, British pound sterling or other major currencies will affect customers' travel behavior and, therefore, will have an impact on our results of operations. For example, in fiscal year 2019, the drop in the average value of the Indian rupee as compared to the U.S. dollar adversely impacted the Indian travel industry as it made outbound travel for Indian consumers more expensive. In addition, our exposure to foreign currency risk also arises in respect of our non-Indian rupee-denominated trade and other receivables, trade and other payables, and cash and cash equivalents. We currently do not have any hedging agreements or similar arrangements with any counter-party to cover our exposure to any fluctuations in foreign exchange rates. Moreover, adverse currency movements arising out of the COVID-19 pandemic may adversely impact our profitability.

We have limited experience operating as a public company, and fulfilling our obligations as a U.S. reporting company may be expensive and time consuming.

As a U.S. reporting company, we incur significant legal, accounting and other expenses. Prior to becoming a U.S. reporting company, we had not previously been required to prepare or file periodic and other reports with the SEC or to comply with the other requirements of U.S. federal securities laws applicable to public companies. We have not previously been required to establish and maintain disclosure controls and procedures such as Section 404 of the Sarbanes Oxley Act of 2002, or Sarbanes-Oxley Act, and internal controls over financial reporting applicable to a public company with securities registered in the United States. Compliance with reporting and corporate governance obligations from which foreign private issuers are not exempt may require members of our management and our finance and accounting staff to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled and may increase our legal, insurance and financial compliance costs. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. If we fail to comply with any significant rule or requirement associated with being a public company, such failure could result in the loss of investor confidence and could harm our reputation and cause the market price of our securities to decline.

If we fail to establish and maintain proper and effective internal controls over financial reporting, our results of operations and our ability to operate our business may be harmed.

We are subject to the Sarbanes-Oxley Act, which requires, among other things, that we establish and maintain effective internal controls over financial reporting and disclosure controls and procedures. Under the SEC's current rules, starting in fiscal year 2018 we have been required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to assess the effectiveness of our internal controls. However, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act until the filing of our Annual Report on Form 20-F following the date on which we are no longer an emerging growth company.

Our testing may reveal deficiencies in our internal controls that are deemed to be material weaknesses or significant deficiencies and render our internal controls over financial reporting ineffective. We expect to incur additional accounting and auditing expenses and to spend significant management time in complying with these requirements. If we are not able to comply with these requirements in a timely manner, or if we or our management identifies material weaknesses or

significant deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting when required, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities may decline, and we may be subject to investigations or sanctions by the SEC, the Financial Industry Regulatory Authority, Inc. or other regulatory authorities. In addition, we may be required to expend significant management time and financial resources to correct any material weaknesses that may be identified or to respond to any regulatory investigations or proceedings.

We rely on third-party systems and service providers, and any disruption or adverse change in their business may have a material adverse effect on our business.

We currently rely on a variety of third-party systems, service providers and software companies, including the GDS and other electronic central reservation systems used by airlines, various offline and online channel managing systems and reservation systems used by hotels and accommodation suppliers and aggregators, systems used by Indian Railways, and systems used by bus and car operators and aggregators, as well as other technologies used by payment gateway providers. In particular, we rely on third parties to:

- assist in conducting searches for airfares and process air ticket bookings;
- process hotel reservations;
- process credit card, debit card, net banking, Unified Payment Interfaces and e-wallet payments;
- provide computer infrastructure critical to our business; and
- provide customer relationship management, or CRM, software services.

These third parties are subject to general business risks, including system downtime, cybersecurity breaches, fraudulent access, natural disasters, the outbreak or escalation of hostilities, human error, the impact of the COVID-19 pandemic and other causes that may lead to unexpected business interruptions. Any interruption in these or other third-party services or deterioration in their performance could impair the quality of our service. For example, technical glitches in third-party systems may result in the information provided by us to our customers, such as the availability of hotel rooms on a central reservations system of a hotel supplier, to not be accurate, and we may incur monetary and/or reputational loss as a result. Furthermore, if our arrangements with any of these third parties are suspended, terminated or no longer available on commercially acceptable terms, we may not be able to find an alternate source of support on a timely basis and on commercially reasonable terms, or at all.

Our success is also dependent on our ability to maintain our relationships with these third-party systems and service providers, including our technology partners. In the event our arrangements with any of these third parties are impaired or terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms, which could result in significant additional costs or disruptions to our business.

During the fiscal year 2019, we closed our physical retail sales locations, and more recently, due to the impact of the COVID-19 pandemic, we have closed certain of our offices, which could materially adversely impact our revenues and our results of operations.

We have closed our physical retail sales locations as part of our strategy to cut costs and improve profitability. We have already experienced some decrease in sales of holiday packages due to the closing of our retail sales locations and, if we are unable to realize the anticipated benefits from our efforts to improve profitability, a continued loss of sales revenue due to the lack of physical retail locations could materially adversely impact our holiday packages business and our results of operations.

In addition, as a result of the COVID-19 pandemic we are in the process of downsizing or closing a number of our offices across India. We have instituted policies requiring employees to work remotely in certain cases and such policies may remain in place for an indeterminate amount of time. Our remote work arrangements, coupled with stay-at-home orders and quarantines, pose new challenges for our employees and our IT systems and extended periods of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity and IT systems management risks, and impair our ability to manage our business. In addition, the closure of offices in several locations around India could materially and adversely impact our brand and revenues in such locations.

We may not be able to adequately control and ensure the quality of travel products and services sourced from our travel suppliers. If there is any deterioration in the quality of their performance, our customers may seek damages from us and not continue using our online platform.

As we increase the number of third-party services available through our platform, we may not be able to adequately monitor or assure the quality of these services, and increases in customer dissatisfaction may adversely impact our business.

In 2015, we launched a marketplace platform that enables us to sell our own inventory and the inventory of third-party vendors to provide travelers a wider selection of products and services on a single platform. This platform allows third-party suppliers or travel services to manage and sell products and services on yatra.com directly to consumers. We may not be able to adequately monitor these third-party vendors to ensure that they provide high-quality travel products and services to our customers on a consistent basis. Certain travel service providers may lack adequate quality control for their travel products and customer service. Similarly, we cannot ensure that every travel service provider has obtained, and duly maintained, all of the licenses and permits required for it to provide travel products to consumers.

The actions that we take to monitor and enhance the performance of our travel suppliers may be inadequate to timely discover these quality issues. There may be customer complaints and litigation against us due to our travel suppliers' failure to provide satisfactory travel products or services. If our travelers are dissatisfied with the travel products and services provided by third-party vendors they find through our marketplace platform, they may reduce their use of, or completely forgo, our marketplace platform as well as our core platform, including our mobile apps. They may also demand refunds of their payments to us or claim compensation from us for damages suffered as a result of our travel suppliers' performance or misconduct. Increases in customer dissatisfaction with third-party vendors could damage our brand, reduce our traffic and materially and adversely affect our business and results of operations.

Due to the high level of cancellations of existing bookings, we have incurred, and expect to continue to incur, higher than normal cash outlays to refund our customers for cancelled bookings.

We refund users of our platform for cancelled tickets and reservations that they have purchased or made with our travel suppliers through our platform. Due to COVID-19, we have experienced a significant increase in the number of cancellations and incurred, and expect to continue to incur, higher than normal cash outlays for refunds to our customers. Our ability to timely respond to customer requests for cancellations and refunds has been significantly impacted due to the increased cancellations. If we are unable to timely process refunds to our customers, we may experience damage to our brand and a reduction in traffic to our platform, which could materially and adversely affect our business and results of operations.

In addition, as cancellations and refunds increase, we may experience increased risks associated with the ability of our travel suppliers to repay us for any refund we provide to customers for bookings

made through our platform. If we experience an increase in risks of collecting payment from our air inventory suppliers, including as a result of financial hardship due to the COVID-19 pandemic, it may result in lower net revenue and may materially and adversely affect our business, results of operations, liquidity and related cash flows.

Failure to maintain the quality of customer services could harm our reputation and our ability to retain existing customers and attract new customers, which may materially and adversely affect our business, financial condition and results of operations.

Our business is significantly affected by the overall size of our customer base, which in turn is determined by, among other factors, their experience with our customer services. As such, the quality of customer services is critical to retaining our existing customers and attracting new customers. If we fail to provide quality customer services, our customers may be less inclined to book travel products and services with us or recommend us to new customers, and may switch to our competitors. Failure to maintain the quality of customer services could harm our reputation and our ability to retain existing customers and attract new customers, which may materially and adversely affect our business, financial condition and results of operations.

During the fiscal year 2019, we entered into outsourcing agreements with third parties for certain call center services for certain of our business operations. Any disruption, interruption or deterioration in the services provided by these third parties may have an adverse effect on our business.

We have recently entered into outsourcing agreements with third parties to provide call center services to our business. If these third parties are unable to perform to our standards or to provide the level of customer service expected by our clients, our reputation could suffer, which could potentially result in a loss of clients, and we may be forced to pursue alternatives to such third parties, which could potentially result in delays, interruptions or additional expenses. In addition, our third-party service providers are subject to general business risks, including system downtime, hacker attack, fraudulent access, natural disaster, human error or other causes leading to unexpected business interruptions. Any deterioration in our call center service and any delays, interruptions or expenses we experience as a result of having third parties provide our call center services could have a material adverse effect on our business or results of operations.

Any failure to maintain the quality of our brand and reputation could have a material adverse effect on our business.

We have invested considerable time and resources in developing and promoting our "Yatra" brand. We expect to continue to spend on maintaining the high quality of our brand in order to compete against a large and growing number of competitors. We also believe that the strength of our brand is one of our key assets that will allow us to expand into new geographies, such as Tier 2 and Tier 3 cities in India, where our brand is not as well known. These efforts may not be successful and, even if we are successful in our branding efforts, such efforts may not be cost-effective. If we are unable to maintain or enhance consumer awareness of our brands or generate demand in a cost-effective manner, it could have a material adverse effect on our business and financial performance.

In addition, we receive significant media coverage in India and other geographic markets. We could receive unfavorable publicity regarding, for example, our practices relating to personnel, business, operating, accounting, prospects, business ethics, privacy and data protection, product changes, competitive pressures, the accuracy of user-generated content, product quality, litigation or regulatory activity. Such allegations could adversely affect our reputation with our users and advertisers. Such allegations, directly or indirectly against us, may be posted in internet chat-rooms or on blogs or any website by anyone, and may even be posted on an anonymous basis. We may be required to spend significant time and incur substantial costs in response to such allegations or other detrimental conduct,

and there is no assurance that we will be able to conclusively refute each of them within a reasonable period of time, or at all. Such potential negative publicity also could have an adverse effect on the size, engagement and loyalty of our user base and result in decreased revenue, which could adversely affect our business and results of operations.

We are undertaking a number of new business initiatives at the same time. There can be no assurance that these initiatives will be successful or that we will recoup the expenses related to pursuing these initiatives. If these initiatives are not successful, they may have a negative impact on our business and results of operations.

We are undertaking a number of new business initiatives at the same time in order to support our future growth. These initiatives are at the very earliest stages of development and may not be well received by the market. We cannot assure you that these initiatives will achieve the success we expect, in which case we may not be able to recoup the expenses related to pursuing to these initiatives. In addition, we need to quickly respond to the market reaction to our new business initiatives and adjust accordingly. Furthermore, the progress of our new business initiatives may be affected by external conditions, such as the COVID-19 pandemic. If we fail to manage our new business initiatives effectively or efficiently, our business and results of operations may be materially and adversely affected.

We are exposed to the proceedings or claims arising from travel-related accidents or customer misconducts during their travels, the occurrence of which may be beyond our control.

Accidents are a leading cause of mortality and morbidity among tourists. We are exposed to risks of our customers' claims arising from or relating to travel-related accidents. As we enter into transactions with our customers directly, our customers typically take actions against us for the damages they suffer during their travels. However, such accidents may result from the negligence or misconduct of our travel suppliers or other service providers, over which we have no or limited control. See also "—Risks Related to Our Business and Industry—We may not be able to adequately control and ensure the quality of travel products and services sourced from our travel suppliers. If there is any deterioration in the quality of their performance, our customers may seek damages from us and not continue using our online platform." However, there is no assurance that such insurance or indemnification will be sufficient to cover all of our losses. In addition, some of the travel-related accidents result from adventure activities undertaken by our customers during their travels, such as scuba diving, white water rafting, wind surfing and skiing. Furthermore, we may be affected by our customer misconduct during their travels, over which we have no or limited control. However, such accidents and misconduct, even if not resulting from our or our travel suppliers' negligence or misconduct, could create a public perception that we are less reliable than our competitors, which would harm our reputation, and could adversely affect our business and results of operations.

We may be subject to legal or administrative proceedings regarding our travel products and services, information provided on our online platform or other aspects of our business operations, which may be time-consuming to defend and affect our reputation.

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including breach of contract claims, anti-competition claims and other matters. Such proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome and merit of such proceedings, any such legal action could have an adverse impact on our business because of defense costs, negative publicity, diversion of management's attention and other factors. In addition, it is possible that an unfavorable outcome of one or more legal or administrative proceedings, whether in India or in another jurisdiction, could materially and adversely affect our financial position, results of operations or cash flows in a particular period or damage our reputation. In addition, our online platform contains

information about our travel products and services, vacation destinations and other travel-related topics. It is possible that if any content accessible on our online platform contains errors or false or misleading information, our customers may take actions against us.

We rely on assumptions and estimates to calculate certain of our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We believe that certain metrics are key to our business, including travel expenditures, customers, repeat customers, total transaction volume, gross bookings, customer traffic, monthly visitors, app downloads, number of travel agents and bookings. As the industry in which we operate continues to evolve, the metrics by which we evaluate our business may change over time. While these numbers are based on what we believe to be reasonable estimates, our internal tools have a number of limitations and our methodologies for tracking these metrics may change over time. For example, a single person may have multiple accounts or browse the Internet on multiple browsers or devices, some users may restrict our ability to accurately identify them across visits, some mobile applications automatically contact our servers for regular updates with no user action, and we are not always able to capture user information on all of our platforms. As such, the calculations of our traffic and monthly visitors may not accurately reflect the number of people actually visiting our platforms. Also, if the internal tools we use to track these metrics under-count or over-count performance or contain algorithmic or other technical errors, the data and/or reports we generate may not be accurate. In addition, historically, certain metrics were calculated by independent third parties, and have not been verified by us. We calculate metrics using internal tools, which are not independently verified by a third party. In addition, we continue to improve upon our tools and methodologies to capture data and believe that our current metrics are more accurate; however, the improvement of these tools and methodologies could cause inconsistencies between current data and previously reported data, which could confuse investors or lead to questions about the integrity of the data.

The roll-out of new features, improvements and strategies may not meet our expectations.

We are constantly working to improve our websites and mobile applications and roll-out new features to improve our user experience, attract new users, expand our market reach and develop new sources of revenue. However, the COVID-19 pandemic and the resultant economic downturn may result in reduced expenditure by us on ideating, incubating, developing and marketing new features, which may in turn affect our long-term growth prospects. In addition, there is no guarantee that any new features or initiatives we develop will ultimately be successful and, if they are not, our business and results of operations may be materially adversely affected. For example, in 2014 we launched our eCash program to reward customers for repeat purchases. Customers accumulate eCash points on travel booked through us, and these points work as a currency that can be redeemed by customers during future bookings. This program may not have the positive impact on total transaction volume and customer retention that we originally anticipated. For example, we currently expect that some customers who book business travel through our corporate platform will receive the eCash points associated with that travel. However, if the eCash is held by the employer rather than the employee, the impact of this initiative may not be as significant as expected. Even if we are able to successfully adopt new features, improvements or strategies, the impact of such initiatives may take longer to develop than we expect or not develop at all. For example, we have moved toward a "Mobile First" business model. However, we can provide no assurance that we will not experience delays or disruptions on this initiative or that, the market opportunity for a "Mobile First" business will not have changed in a way that could negatively impact our "Mobile First" business, our efforts to attract new customers and our results of operations. We may devote significant financial resources and management time and attention to any new features, initiatives or business services we develop, but fail to achieve expected results from such new features, initiatives or services. If such new features, initiatives or services are not well accepted, the reputation of our existing website, applications, features

and services and our overall brand and reputation may be harmed. As a result, our overall business and results of operations may be materially and adversely affected.

The online homestay market is rapidly evolving and if we fail to compete successfully, our business and results of operations may suffer.

We have added homestays through our Yatra and Travelguru websites. The online homestay market is an evolving market. Since we began offering such services, there have been and continue to be significant business, marketing and regulatory developments. Operating in new and relatively untested markets requires significant management attention and financial resources. We cannot provide any assurance that our efforts to expand in this market will be successful, and the investment and additional resources required to establish operations and manage growth may not produce the desired financial results.

We may not be successful in pursuing strategic partnerships and acquisitions, and future partnerships and acquisitions may not bring us anticipated benefits.

Part of our growth strategy is the pursuit of strategic partnerships and acquisitions. There can be no assurance that we will succeed in implementing this strategy as we are subject to many factors which are beyond our control, including our ability to identify, attract and successfully execute suitable acquisition opportunities and partnerships. This strategy may also subject us to uncertainties and risks, including acquisition and financing costs, potential ongoing and unforeseen or hidden liabilities, diversion of management resources and the costs of integrating acquired businesses. We could face difficulties integrating the technology of acquired businesses with our existing technology, and employees of the acquired business into various departments and ranks in our company, and it could take substantial time and effort to integrate the business processes being used in the acquired businesses with our existing business processes. Moreover, there is no assurance that such partnerships or acquisitions will achieve our intended objectives or enhance our business. Any such failure could negatively impact our ability to compete in the travel industry and have a material adverse effect on our business or results of operations.

On July 20, 2017, we, through our subsidiary Yatra Online Private Limited, or Yatra India, agreed to acquire all of the outstanding shares of the company Air Travel Bureau Private Limited (formerly known as Air Travel Bureau Limited), or ATB, pursuant to a Share Purchase Agreement, or ATB Share Purchase Agreement, by and among Yatra India, ATB and the sellers party thereto, or the Sellers. Pursuant to the terms of the ATB Share Purchase Agreement, we: (a) acquired a majority of the outstanding shares of ATB on August 4, 2017 in exchange for a payment of approximately INR 510 million and (b) agreed to acquire the balance of the outstanding shares of ATB in exchange for a final payment, or Final Payment, to be made at a second closing, or Second Closing. On July 29, 2020, Yatra India has acquired the balance outstanding shares of ATB and hence ATB has become a 100% subsidiary of Yatra India.

On February 8, 2019, we, through our subsidiary, Yatra India, acquired all of the outstanding shares of Travel.Co.In Limited, or TCIL, the travel business of PL Worldways, pursuant to a Share Purchase Agreement by and among Yatra Online Private Limited, TCIL and the sellers party thereto.

As we continue to integrate ATB and TCIL into the Yatra portfolio, there may be unexpected costs and difficulties in integrating these new businesses into our operations. In addition, the ongoing COVID-19 pandemic and consequential prolonged downturn in the economy may impact our ability to integrate or grow these new businesses, which could have a material adverse effect on our overall business or results of operations.

As we increase our sales efforts toward larger corporate customers and B2B2C travel agents, our sales cycle, customer support efforts and collection efforts may become more time consuming and expensive.

In recent years, we have increased our sales efforts toward larger corporate customers, including leading organizations from around India. The TCIL and ATB acquisitions were part of this effort. As we attempt to capitalize on this investment and increase our sales efforts targeted to large corporate customers, we expect to face greater costs, longer sales cycles and less predictability in completing some of our sales. Additionally, we may face challenges integrating the disparate sales approaches and strategies of the formerly separate ATB and Yatra segments. Furthermore, if a prospective corporate customer's decision to use our travel services is an enterprise-wide decision, these sales may require us to provide greater education to the prospective customer. Consequently, these customers may require us to devote greater sales, implementation and customer support resources to them.

In addition, we are trying to increase our sales efforts to the B2B2C (business to business to consumer) segment by making inroads in India's large and fragmented network of travel agents. We are currently trying to make inroads to this market via organic growth. To the extent that we cannot help these travel agents provide their clients with time and money-saving opportunities, the growth in this segment may slow. Slower growth in this segment may hinder our efforts to reach customers in smaller markets, such as the Tier 2 and Tier 3 markets in India, who often utilize intermediaries such as travel agents to arrange their travel.

As part of these efforts to attract corporate and B2B2C travel agents and retail customers, we typically extend credit periods to certain segments of our customer base. We may experience difficulty collecting payment fully and in a timely manner on our outstanding accounts receivable from our customers. As a result, we may face a greater risk of non-payment of our accounts receivable and, as our corporate travel business and B2B2C travel agents business grows in scale, we may need to make increased provisions for doubtful accounts. We cannot provide any assurance that we will be able to increase our corporate customer base and B2B2C travel agents, and our sales efforts to obtain such customers may become time consuming, costly and harmful to our business and results of operations.

Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations or cause us to curtail or cease our operations.

We believe that our existing cash and cash equivalents will be sufficient to fund our operations but our expenses may be greater than forecasted and we may need to raise additional funds to continue our operations. We nevertheless might be unable to obtain additional debt or equity financing on favorable terms, or at all. If we were able to raise additional equity financing, our shareholders may experience significant dilution of their ownership interests and the value of our securities could decline. If we were to engage in debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. In addition, the availability of funds depends in significant measure on capital markets and liquidity factors over which we exert no control. In light of periodic uncertainty in the capital and credit markets, we can provide no assurance that sufficient financing will be available on desirable terms or at all to fund investments, acquisitions, share repurchases, dividends, debt refinancing or other corporate needs, or that our counterparties in any such financings would honor their contractual commitments. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to execute on our growth strategy, which could reduce our ability to compete successfully and harm our business or we may have to curtail or cease our operations.

Raising additional capital may cause dilution to our shareholders, restrict our operations or require us to relinquish substantial rights.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect your rights as a holder of our Ordinary Shares. Debt financing, if available at all, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends, and may be secured by all or a portion of our assets. Further, we may incur substantial costs in pursuing future capital and/or financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses and other costs and such efforts may divert our management from their day-to-day activities, which may compromise our ability to develop and market our products. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, such as convertible notes and warrants, which will adversely impact our financial condition.

We could be negatively affected by changes in Internet search engine algorithms and dynamics, or search engine disintermediation.

We rely heavily on Internet search engines, such as Google, Bing and Yahoo! India, to generate traffic to our websites, principally through the purchase of travel-related keywords. Search engines, including Google, frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results, causing our websites to place lower in search query results. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking of our websites or those of our partners, or if competitive dynamics impact the cost or effectiveness of our search engine optimization or search engine monetization in a negative manner, our business and financial performance would be adversely affected, potentially to a material extent. Furthermore, our failure to successfully manage our search engine optimization and search engine monetization strategies could result in a substantial decrease in traffic to our websites, as well as increased costs if we were to replace free traffic with paid traffic. In addition, to the extent that Google, Yahoo! India, Bing or other leading search or metasearch engines in India disrupt the businesses of OTAs or travel content providers by offering comprehensive travel planning or shopping capabilities, or refer those leads to suppliers directly, or to other favored partners, there could be a material adverse impact on our business. To the extent these actions have a negative effect on our search traffic, whether on desktop, tablet or mobile devices, our business and results of operations could be adversely affected.

Any inability or failure to adapt to technological developments, the evolving competitive landscape or industry trends could harm our business and competitiveness.

We depend upon the use of sophisticated information technology and systems. Our competitiveness and future results depend on our ability to maintain and make timely and cost-effective enhancements, upgrades and additions to our products, services, technologies and systems in response to new technological developments, industry standards and trends and customer demands. Adapting to new technological and marketplace developments may require substantial expenditures, lead time and management time and attention and we cannot guarantee that projected benefits will actually materialize. We may experience difficulties that could delay or prevent the successful development, marketing and implementation of enhancements, upgrades and additions. Moreover, we may fail to maintain, upgrade or introduce new features, products, services, technologies and systems as quickly as our competitors or in a cost-effective manner. In addition, the travel industry is marked by continuous innovation and the development of new features, products, services and technologies. As a result, in

order to maintain its competitiveness, we must continue to invest significant resources to continually improve the speed, accuracy and comprehensiveness of our travel offerings. Changes to our technology platforms or increases in our investments in technology could adversely affect our results of operations. If we face material delays in adapting to technological developments, our customers may forego the use of our services in favor of those of our competitors. Any of these events could have a material adverse effect on our business and results of operations.

Our success depends on maintaining the integrity of our systems and infrastructure, which may suffer from failures, capacity constraints, business interruptions and forces outside of our control.

Our business relies significantly on computer systems to facilitate and process transactions and we have experienced rapid growth in consumer traffic to our websites and through our mobile apps. However, we may not be able to maintain and improve the efficiency, reliability and integrity of our systems. Unexpected increases in the volume of our business could exceed system capacity, resulting in service interruptions, outages and delays. Such constraints can also lead to the deterioration of our services or impair our ability to process transactions. System interruptions may prevent us from efficiently providing services to our customers, travel suppliers or other third parties, which could cause damage to our reputation and result in us losing customers and revenues or cause us to incur litigation costs and liabilities. Although we contractually limit our liability for damages, we cannot guarantee that we will not be subject to lawsuits or other claims for compensation from our customers in connection with such outages for which we may not be indemnified or compensated.

Our systems may also be susceptible to external damage or disruption. Our systems could be damaged or disrupted by power, hardware, software or telecommunication failures, human errors, natural events including floods, hurricanes, fires, winter storms, earthquakes and tornadoes, terrorism, break-ins, hostilities, war or similar events. Computer viruses, denial of service attacks, physical or electronic break-ins and similar disruptions affecting the Internet, telecommunication services or our systems could cause service interruptions or the loss of critical data, and could prevent us from providing timely services. Failure to efficiently provide services to customers or other third parties could cause damage to our reputation and result in the loss of customers and revenues, significant recovery costs or litigation and liabilities. Moreover, such risks might increase as we expand our business and as the tools and techniques involved become more sophisticated. Disasters affecting our facilities, systems or personnel might be expensive to remedy and could significantly diminish our reputation and our brands, and we may not have adequate insurance to cover such costs.

Our use of open source software could adversely affect our ability to offer our products and services and subject us to possible litigation.

We use open source software in connection with our development of technology infrastructure. From time to time, companies that use open source software have faced claims challenging the use of open source software and/or compliance with open source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming noncompliance with open source licensing terms. Some open source licenses require users who distribute software containing open source to make available all or part of such software, which in some circumstances could include valuable proprietary code of the user. While we monitor the use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop travel products and services that are similar to or better than ours.

We are exposed to risks associated with the payments business, including online security and credit card fraud.

The secure transmission of confidential information over the Internet is essential in maintaining customer and supplier confidence in us. Security breaches, whether instigated internally or externally on our system or other Internet-based systems, could significantly harm our business. We currently require customers to guarantee their transactions with their credit and debit cards, payment wallets, etc. We rely on licensed encryption and authentication technology to effect secure transmission of confidential customer information, including credit and debit card numbers, over the Internet. However, advances in technology or other developments could result in a compromise or breach of the technology that we use to protect customer and transaction data. We incur substantial expense to protect against and remedy security breaches and their consequences. However, our security measures may not prevent security breaches and we may be unsuccessful in or incur additional costs in connection with implementing a remediation plan to address these potential exposures.

We also have agreements with banks and certain companies that process customer credit and debit card transactions for the facilitation of customer bookings of travel services from us. If any of these third parties experience business interruptions or otherwise are unable to provide the services we need, or if they increase the fees associated with those services, we will be adversely impacted. In addition, the online payment gateway for certain of our sales made through our mobile platform and through international credit and debit cards are secured by the respective card's security features and we may be liable for credit card acceptance on our websites. We may also be subject to other payment disputes with our customers for such sales. If we are unable to combat the use of fraudulent credit and debit cards, our revenue from such sales would be susceptible to demands from the relevant banks and credit and debit card processing companies, and our results of operations and financial condition could be adversely affected.

Our processing, storage, use and disclosure of customer data of our customers or visitors to our website could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views of personal privacy rights or data security breaches.

In the processing of our customer transactions, we receive and store a large volume of customer information. Such information is increasingly subject to legislation and regulations in various jurisdictions and governments are increasingly acting to protect the privacy and security of personal information that is collected, processed and transmitted in or from the governing jurisdiction, for example, the recent enactment of European General Data Protection Regulations. We could be adversely affected if legislation or regulations are expanded or amended to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business. As privacy and data protection become more sensitive issues in India, we may also become exposed to potential liabilities. For example, under the Information Technology Act, 2000 (Indian), as amended, we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, Information Technology (Intermediaries Guidelines) Rules, 2011, which impose limitations and restrictions on the collection, use and disclosure of personal information. Any liability we may incur for violation of such laws and regulations and related costs of compliance and other burdens may adversely affect our business and results of operations. In addition, in 2019, India's Ministry of Electronics and Information Technology after inviting comments on a draft Personal Data Protection Bill introduced it in the Indian Legislature for it to become a law in December 2019. This proposed legislation would regulate the processing of personal data. If this or similar legislation is enacted, it may affect us in ways that we are currently unable to predict.

We cannot guarantee that our security measures will prevent data breaches. Companies that handle such information have also been subject to investigations, lawsuits and adverse publicity due to allegedly improper disclosure of personally identifiable information. Security breaches could damage our reputation, cause interruptions in our operations, expose us to a risk of loss or litigation and possible liability, and could also cause customers and potential customers to lose confidence in the security of our transactions, which would have a negative effect on the demand for our services and products. Moreover, public perception concerning security and privacy on the Internet could adversely affect customers' willingness to use our websites or mobile applications. A publicized breach of security in India or in other countries in which we have operations, even if it only affects other companies conducting business over the Internet, could inhibit the growth of the Internet as a means of conducting commercial transactions, and, therefore, our business.

These and other privacy and security developments that are difficult to anticipate could adversely affect our business, financial condition and results of operations.

Intellectual property rights are important to our business and we cannot be sure that our intellectual property is protected from copying or use by others, and we may be subject to third-party claims for intellectual property rights infringement.

Our intellectual property rights are important to our business. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. Our websites and mobile applications rely on content and in-house customizations and enhancements of third-party technology, much of which is not subject to intellectual property protection. We protect our logos, brand name, websites' domain names and, to a more limited extent, our content by relying on copyrights, trademarks, trade secret laws and confidentiality agreements. We have inter alia applied for trademark registration of our logos, and word marks for yatra and yatra.com in India and such applications are currently pending with the Registry of Trademarks. We have filed responses to objections raised by the Registry of Trademarks to certain of these applications. We have also filed oppositions with the Registry of Trademarks against certain trademarks in pursuance of the protection of our trademarks and initiated legal proceedings in the appropriate courts of law for enforcing and protecting our intellectual property rights. Even with all of these precautions, there can be no assurance that our intellectual property will be protected. It is possible for someone else to copy or otherwise obtain and use our content, techniques and technology without our authorization or to develop similar technology. While our domain names cannot be copied, another party could create an alternative domain name resembling ours that could be passed off as our domain name.

Our efforts to protect our intellectual property may not be adequate. Unauthorized parties may infringe upon or misappropriate our services or proprietary information. In addition, the global nature of the Internet makes it difficult to control the ultimate destination of our services. The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenues and increase our expenses. In the future, litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time consuming and costly.

We could be subject to intellectual property infringement claims as the number of our competitors grows and the content and functionality of our websites or other service offerings overlap with competitive offerings. As competition in our industry increases and the functionality of technology offerings further overlaps, such claims and counterclaims could increase. There can be no assurance that we have not or will not inadvertently infringe on the intellectual property rights of third parties. Our defenses against these claims, even if not meritorious, could be expensive and divert management's attention from operating our business. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial award as damage and forced to

develop non-infringing technology, obtain a license or cease using the applications that contain the infringing technology. We may be unable to develop non-infringing technology or obtain a license on commercially reasonable terms or at all.

Our quarterly results may fluctuate for a variety of reasons, including the seasonality in the leisure travel industry, and may not fully reflect the underlying performance of our business.

Our quarterly operating results may vary significantly in the future, and period-to-period comparisons of its operating results may not be meaningful. Additionally, our growth may mask the seasonality of our business. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. For example, we tend to experience higher revenue from our Hotels and Packages business in the second and fourth calendar quarters of each year, which coincide with the summer holiday travel season and the year-end holiday travel season for our customers in India and other markets. In our Air Ticketing business, we may have higher revenues in a particular quarter arising out of periodic discounted sales of tickets by our suppliers. Other factors that may cause fluctuations in our quarterly financial results include, but are not limited to:

- foreign exchange rates;
- our ability to attract new customers and cross-sell to existing customers;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- general economic, industry and market conditions;
- changes in our pricing policies or those of our competitors and suppliers; and
- the timing and success of new services and service introductions by us and our competitors or any other change in the competitive dynamics of the Indian travel industry, including consolidation among competitors, customers or strategic partners.

Fluctuations in quarterly results may negatively impact the value of our securities and make quarter-to-quarter comparisons of our results less meaningful.

We may need to make additional investments in the event of any slowdowns or disruptions in ongoing efforts to upgrade Internet infrastructure in India.

The majority of our bookings are made through our Indian website and mobile offerings. According to Internet World Stats, India had 560 million Internet users as of May 2020. There can be no assurance that Internet penetration in India will increase in the future, as slowdowns or disruptions in upgrading efforts for infrastructure in India could reduce the rate of increase in the use of the Internet. As such, we may need to make additional investments in alternative distribution channels. Further, any slowdown or negative deviation in the anticipated increase in Internet penetration in India may adversely affect our business and results of operations.

Our large shareholders exercise significant influence over our company and may have interests that are different from those of our other shareholders.

As of July 10, 2020, MIHI LLC, Macquarie Corporate Holdings Pty Limited, Apple Orange LLC, Noyac Path LLC, Periscope, LLC, Terrapin Partners Employee Partnership 3, LLC and Terrapin Partners Green Employee Partnership, LLC (collectively, the Terrapin Sponsors) and certain of their affiliated entities (including Nathan Leight), Network 18 Media & Investments Limited, Reliance Infrastructure Limited, RCH Ltd., entities affiliated with Vincent C. Smith, entities affiliated with

Norwest Venture Partners, and entities and people affiliated with Altai Capital Management, LLC beneficially own approximately 33.62% of the issued and outstanding shares of our company, assuming the conversion into Ordinary Shares of all (i) Yatra USA Class F Shares, (ii) Class A non-voting shares and (iii) other convertible shares held at the subsidiary level that are convertible into our Ordinary Shares and held by such parties (or approximately 49.17% of the shares of our company, assuming such conversion and the exercise or conversion of all of our outstanding warrants), based on information known to us or ascertained by us from public filings made by such shareholders. By virtue of such significant shareholdings, these shareholders have the ability to exercise significant influence over our company and our affairs and business, including the election of directors, the timing and payment of dividends, the adoption and amendments to our memorandum and articles of association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of these shareholders may be different from or conflict with the interests of our other shareholders and their influence may result in the delay or prevention of a change of management or control of our company, even if such a transaction may be beneficial to our other shareholders.

The loss of one or more of our key personnel could harm our business.

Our future success depends upon the continued contributions of our senior corporate management and other key employees. In particular, the contributions of our Chief Executive Officer are critical to our overall management. We have entered into employment agreements with members of senior management, which contain non-compete provisions that extend for 18 months following the termination of such executive officer's employment. However, these agreements do not prohibit members of our senior management from resigning. The loss of our Chief Executive Officer or any other member of our senior corporate management team, and any subsequent failure to identify and hire appropriate successors, could have a material adverse effect on our business, financial condition and results of operations.

Our ability to attract, train and retain qualified employees is critical to our business and results of operations.

Our business and future success depends, to a significant extent, on our ability to attract and train new employees and to retain and motivate our existing employees. Competition remains intense for well-qualified employees in certain aspects of our business, including software engineers, developers, product management and development personnel with expertise in the online travel or search industry. Our industry is characterized by high demand and intense competition for talent. As a result of the COVID-19 pandemic, we have implemented salary reductions and freezes, leaves without pay and work from home policies for our employees. If the downturn in the Indian economy continues and we are not able to return salaries to the pre-COVID levels for a significant period after the pandemic has ended, we may experience increased attrition, increased risk of potential claims asserted by former employees against us, and increased hiring cost to replace such employees. As a result we may not be able to remain competitive in attracting the quality of employees that our business requires. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business and results of operations could be adversely affected.

Inaccurate information from suppliers of hotel room inventory may lead to customer complaints.

Our customers that purchase hotel room inventory online through our websites may rely on the description of the accommodation presented on such websites to ascertain the quality of amenities and services provided at the relevant accommodation. We receive information utilized in the accommodation description on our websites directly from the accommodation providers, aggregators or channel managers. To the extent that the information presented on our websites does not reflect the actual quality of amenities and services at the accommodation, we may face customer complaints that may have an adverse effect on our reputation and the likelihood of repeat customers, which in turn may adversely affect our business and results of operations.

We may fail to realize all of the anticipated benefits of our ATB and TCIL acquisitions.

The success of our acquisitions of ATB and TCIL will depend, in large part, on our ability to successfully integrate ATB's and TCIL's technologies, operations and systems, which may be a complex, costly and time-consuming process. We may face additional integration challenges including:

- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the acquisition;
- difficulties in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures;
- difficulties in the assimilation of employees; and
- difficulties in managing the expanded operations of a significantly larger company.

Any one of these factors could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could adversely affect our business, financial condition and results of operations and result in us becoming subject to litigation. In addition, even if ATB and/or TCIL are integrated successfully, the full anticipated benefits of these acquisitions may not be realized, including the synergies, cost savings or sales or growth opportunities that are anticipated. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration process. All of these factors could cause reductions in our revenues, earnings, earnings per share, decrease or delay the expected accretive effect of the acquisition and negatively impact the price of our securities. As a result, it cannot be assured that our acquisitions of ATB and/or TCIL will result in the realization of the full anticipated benefits.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and share price, which could cause you to lose some or all of your investment.

We may be required to take write-down or write-offs of assets, restructure our operations, or incur impairment or other charges that could result in reporting losses. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that charges of this nature are reported could contribute to negative market perceptions about our company or our securities. In addition, charges of this nature may cause our company to violate net worth or other covenants to which we may become subject. Accordingly, our shareholders could suffer a reduction in the value of their securities. Such shareholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that this Annual Report contained an actionable material misstatement or material omission.

The Internal Revenue Service, or IRS, may not agree to treat us as a foreign corporation for U.S. federal income tax purposes.

Although we are incorporated in the Cayman Islands, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended, or the Code. For U.S. federal income tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because we are a Cayman Islands exempted company, we would generally be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes.

For our company to be treated as a foreign corporation for U.S. federal income tax purposes under Section 7874 of the Code, immediately after the Business Combination, either (i) the former

stockholders of Terrapin must have owned (within the meaning of Section 7874 of the Code) less than 80% (by both vote and value) of our Ordinary Shares by reason of holding shares in Terrapin immediately prior to the Business Combination, or (ii) we must have substantial business activities in the Cayman Islands (taking into account the activities of our expanded affiliated group).

Based on the rules for determining share ownership under Section 7874 of the Code, we believe that the shareholders of Terrapin should be treated as having owned less than 80% of our Ordinary Shares after the Business Combination and that, therefore, we should be treated as a foreign corporation for U.S. federal income tax purposes, although no assurances can be given in this regard. If we were to be treated as a U.S. corporation, income we earned would become subject to U.S. taxation, and the gross amount of any dividend payments to our non-U.S. shareholders could be subject to 30% U.S. withholding tax, depending on the application of any income tax treaty that might apply to reduce such withholding tax.

Future changes to the tax laws under which we should be treated as a foreign corporation for U.S. federal income tax purposes and changes in other tax laws relating to multinational corporations could adversely affect us.

Under current law, as noted above, we should be treated as a foreign corporation for U.S. federal income tax purposes. Changes to Section 7874 of the Code or the U.S. Treasury regulations promulgated thereunder or future IRS guidance could affect our status as a foreign corporation for U.S. federal income tax purposes, and any such changes or future IRS guidance could have prospective or retroactive application. Any of these changes to such laws or regulations, or future IRS guidance, could adversely affect our company.

If we were treated as a passive foreign investment company for U.S. federal income tax purposes, U.S. investors in our Ordinary Shares could be subject to adverse U.S. federal income tax consequences.

For U.S. federal income tax purposes, a foreign corporation is classified as a passive foreign investment company, or PFIC, for any taxable year if either (i) 75% or more of its gross income for such taxable year is "passive income" (as defined for such purposes) or (ii) 50% or more of the value of the assets held by such corporation (based on an average of the quarterly values of the assets) during such taxable year is attributable to assets that produce passive income or that are held for the production of passive income.

As discussed in "Material U.S. Federal Income Tax Consequences," it is not expected that we will be a PFIC for the current taxable year, and it is not anticipated that we will become a PFIC in the foreseeable future; however, no assurances can be offered in this regard. The tests for determining PFIC status are applied annually after the close of the taxable year. It is difficult to accurately predict future income and assets relevant to this determination and no ruling from the IRS or opinion of counsel has been or will be sought with respect to PFIC status. Whether we are a PFIC will depend on the particular facts and circumstances (such as the valuation of assets, including goodwill and other intangible assets) and may also be affected by differing interpretations of the PFIC rules. Accordingly, there can be no assurance that we are not a PFIC, or will not become a PFIC in the future.

The expansion of our business to new geographic markets may expose us to additional risks.

Our comprehensive travel-related offerings are customized to the Indian travel market. If in the future we determine to significantly expand outside of India, we will need to adjust our services and business model to the unique circumstances of those new geographic markets in order to succeed, including building new supplier relationships and customer preferences. Adapting our practices and models effectively to the supplier and customer preferences in new markets could be difficult and costly and could divert management and personnel resources. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations in new markets.

In addition, we may expose ourselves to new risks that may not exist in our Indian operations, including:

- differences and unexpected changes in regulatory requirements and exposure to local economic conditions;
- differences in consumer preferences in such markets;
- increased risk to and limits on our ability to enforce our intellectual property rights;
- competition from providers of travel services in such foreign countries;
- restrictions on the repatriation of earnings from such foreign countries, including withholding taxes imposed by certain foreign jurisdictions; and
- currency exchange rate fluctuations.

If we choose to enter new markets and are not able to effectively mitigate or eliminate these risks, our results of operations could be adversely affected.

Risks Related to Our Operations in India

Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial performance.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances briefly mentioned below, may adversely affect our business, financial condition and results of operations, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy.

The Companies Act, 2013, together with the rules thereunder, or the Companies Act, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. While the majority of the provisions of the Companies Act are currently effective, certain provisions of the Companies Act, 1956 remain in effect. The timeline for implementation of the remaining provisions of the Companies Act is unclear. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

Almost three years after implementation, the GST law is still evolving. The Indian government is enforcing some provisions that were initially deferred, introducing regular amendments, issuing clarifications and changing tax return formats. This has caused businesses to re-visit tax positions and contract terms, update accounting software and enhance compliance capabilities to keep up with the changing legal requirements.

Beginning in October 2018, tax collection at source, or TCS, provisions were enforced for electronic commerce operators. As the Company primarily does business through its online portal and web-based application, the Company is required to comply with TCS provisions. As a result, the Company has obtained new registrations in all states and now files a monthly return which reconciles the values on which TCS is collected with the values disclosed by the suppliers. This has greatly increased compliance costs and is creating cash flow issues for the Company.

The Company is also in the process of filing its annual return for fiscal year 2018, fiscal year 2019 and is having a GST audit conducted by an audit firm pursuant to GST laws, which requires the figures in the Company's books and GST returns to be reconciled and reconciliation differences explained appropriately.

The increased tax rate due to the GST regime is largely offset by tax credits. Further, for this first year of the new GST regime, the Indian government extended the time during which tax credits can be claimed for Financial Year 2017-18 by six months, which was beneficial to the Company. However, the

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Company still has problems claiming tax credits due to non-compliance by certain suppliers. This issue is being litigated in India by a taxpayer who is claiming that the benefit of certain tax credits should not be denied due to non-compliance by a supplier.

The Indian government is also planning to introduce new GST tax return formats in near future. Such new formats would require the Company to review the disclosures to be made in GST returns and make changes in the enterprise resource planning, or ERP, system for capturing the requisite data.

Overall, GST has had a mixed impact on the Company. The decentralization of tax registration and related compliance have caused a significant increase in our compliance requirements over the last two years. In addition to increased compliance costs, the Company is also paying GST taxes for hotel accommodation services provided by the unregistered hotels in each state where such unregistered hotels are located. While the Company is complying with the requirements of the GST regime, there are certain areas where clarity is still awaited and Company is in the process of finalizing tax positions while awaiting such clarity. The implementation of GST laws in India is still in its initial phase, and during such time the impact of the new indirect tax environment on the Company continues to be closely monitored on regular basis.

Place of effective management of our company as per Indian income tax laws

Per the (Indian) Income Tax Act, 1961, as amended, or the IT Act, persons resident in India are subject to taxation on their global income. Persons not resident in India are subject to taxes only on income received, accruing or arising in India or deemed to have been received, accrued or arisen in India.

As per the IT Act a company incorporated outside India would be considered a resident in India if its Place of Effective Management or PoEM in that year is in India. Thus, a foreign company will be resident in India if its PoEM in that year is in India. The definition of PoEM has been explained to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole, are in substance made. PoEM is an internationally recognized concept and finds mention in several tax treaties.

The Central Board of Direct Taxes has issued guiding principles or Guidelines, which seek to provide guidance on determination of PoEM for determining residence in India of foreign companies. The Guidelines lay emphasis on the fact that the concept of PoEM is one of substance over form and its determination is fact driven. An entity may have more than one place of management; however, it can only have one PoEM at any point in time. Determination of PoEM needs to be done on a year on year basis, and process of such determination would primarily be based on whether the Company is engaged in "active business outside India". If during the tax year, PoEM exists both in and out of India, the PoEM is presumed to be in India if it is predominantly in India. In a scenario where the PoEM of a company is determined to be in India, then such company would be deemed to an Indian tax resident and, accordingly, subject to taxes on its global income.

Business Connection

As per the IT Act, persons resident in India are subject to taxation on their global income. Persons not resident in India are subject to taxes only on income received, accruing or arising in India or deemed to have been received, accrued or arisen in India. Under the IT Act, one of the situations in which income is said to be deemed to be accrued in India is if it is earned through a "business connection" in India.

As per the provisions of the IT Act, the term "business connection" has been defined to include any business activity carried out through a person who habitually exercises an authority to conclude contracts or maintains a stock of merchandise or secures orders mainly or wholly for the non-resident in India.

The Finance Act, 2018 has broadened the scope of the term "business connection" to include "significant economic presence" of the non-resident in India (irrespective of whether the non-resident

has established a place of business in India or whether or not the non-resident renders service in India or whether or not the agreement for rendering such service or activities is entered in India). "Significant economic presence" has been defined to include (i) any transaction in respect of any goods/services/property carried out by a non-resident in India including provision of download of data or software in India if the aggregate of payments arising from such transactions exceed the prescribed threshold limit in a year; or (ii) regular interactions with the users in India beyond a prescribed threshold limit through digital means; or (iii) soliciting of business activities in a continuous and systematic manner through digital means. It may be pertinent to note that the threshold limits for having significant economic presence in India have not been notified yet.

The Finance Act, 2018 has also broadened the scope of "business connection" to provide that "business connection" shall include any business activity carried by a person in India for a non-resident where such person habitually concludes contracts or habitually plays the principal role leading to conclusion of the contracts and the contracts are in the name of the non-resident or for the transfer of the ownership of, or for granting of the right to use, property owned by that non-resident or that non-resident has the right to use or for the provision of services by the non-resident.

Thus, if any of the aforementioned conditions are satisfied by a person not resident in India, such person would be said to have a business connection and income attributable to such business connection would be taxable in India.

However, a person not resident in India would also be entitled to claim benefits under the applicable Double Taxation Avoidance Agreement or DTAA between India and the country of its residence. The provisions of the DTAA shall be applicable to the extent they are more beneficial than the IT Act.

General Anti-Avoidance Rule

General Anti-Avoidance Rules, or GAAR, came into force from April 1, 2017. GAAR gives Indian tax authorities a wide range of powers while determining tax consequences of an arrangement, which is held to be an impermissible avoidance arrangement as defined in the IT Act.

The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefits, or tax treaty benefits, amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our company, it may have an adverse tax impact on us.

The impact of any or all of the above changes to Indian legislation on our business cannot be fully determined at this time. Additionally, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business, including those relating to the Internet and e-commerce, consumer protection and privacy. Such unfavorable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. For example, there may continue to be an increasing number of laws and regulations pertaining to the Internet and e-commerce, which may relate to liability for information retrieved from or transmitted over the Internet or mobile networks, user privacy, taxation and the quality of services provided through the Internet. In 2018, India's Ministry of Electronics and Information Technology recently invited comments on a draft Personal Data Protection bill submitted to it by a committee of experts appointed by the government. This bill would regulate the processing of personal data. If this or similar legislation is enacted, it may affect us in ways that we are currently unable to predict. Furthermore, the growth and development of e-commerce may result in more stringent consumer protection laws that may impose additional burdens on Internet businesses generally. India's Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry also recently invited comments on a draft National e-Commerce Policy, which addresses topics, such as data and e-commerce regulation. The timing or impact of this policy, which remains in draft form, is not yet certain. Any such changes could have an adverse effect on our business and financial performance. Further, recently the provisions of the

Consumer Protection Act, 2019 (CPA) have been notified. CPA provides for simplifying the consumer dispute adjudication process and introduces concept of product liability besides further empowering the consumers and help them in protecting their rights through its various notified rules including the Consumer Protection (E- Commerce), Rules, 2020.

The application of various Indian and international sales, use, occupancy, value-added and other tax laws, rules and regulations to our services and products is subject to interpretation by the applicable taxing authorities, and changes in such laws, rules and regulations may adversely affect our business and financial performance.

Many of the statutes and regulations that impose sales, use, occupancy, value-added and other taxes were established before the growth of the Internet, mobile networks and e-commerce. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, if we pass on such costs to our customers, decrease the demand for our services and products. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. In recent years, we have received notices from the Indian tax regulatory authority for a demand of service tax on certain matters, some of which relate to the travel industry in India and involve complex interpretations of law. We have also received notices and various assessment orders from the Indian income tax authorities, to which we have responded. There can be no assurance what view the Indian tax authorities will take.

Restrictions on foreign investment in India may prevent us from making future acquisitions or investments in India and may require us to make changes to our business, which may adversely affect our results of operations, financial condition and financial performance.

India regulates ownership of Indian companies by foreigners, although some restrictions on foreign investment have been relaxed. These regulations and restrictions may apply to acquisitions by us or our affiliates, including Yatra India, and affiliates which are not resident in India, of shares in Indian companies or the provision of funding by us or any other entity to Indian companies within our group. For example, under its consolidated foreign direct investment policy, or FDI policy, the Government of India has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies, owned or controlled by foreign entities, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners. These requirements, which currently include restrictions on pricing, valuations of shares and sources of funding for such investments and may in certain cases include prior notice to or approval of the Government of India, may adversely affect our ability to make investments in India, including through Yatra India. Further, India's Foreign Exchange Management Act, 1999, as amended, and the rules and regulations promulgated thereunder, or FEMA, restrict us from lending to or borrowing from our Indian subsidiary. There can be no assurance that we will be able to obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms. Under FEMA, the Reserve Bank of India has the power to impose monetary penalties, including up to three times the value of a FEMA violation, where quantifiable, and confiscate the shares at issue. Further, the Government of India has from time to time made and may continue to make revisions to the FDI Policy on e-commerce in India (including in relation to business model, inventory, pricing and permitted services). India's Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry also recently invited comments on a draft National e-Commerce Policy, which addresses topics such as data and e-commerce regulation. The timing or impact of this policy, which remains in draft form, is not yet certain. Such changes may require us to make changes to our business in order to comply with Indian law.

A substantial portion of our business and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

A substantial portion of our business and most of our employees are located in India, and as a result, our financial performance and the market price of our securities will be affected by changes in government policies impacting exchange rates and controls, interest rates, taxes and foreign investment, volatility in and actual or perceived trends in trading activity on India's principal stock exchanges, prevailing economic conditions, and policies to regulate inflation and other regulations impacting Indian businesses and the Indian economy as a whole. The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant, and we cannot assure you that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting travel service companies, e-commerce, data, foreign investments, currency exchange rates and other matters affecting investments in India could change as well or be subject to unfavorable changes or interpretations or uncertainty, including by reason of limited administrative or judicial precedents. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses or impose onerous requirements and conditions on our operations.

Our business and activities are regulated by the Competition Act, 2002, as amended.

The Competition Act, 2002, as amended, or the Competition Act, regulates practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, or to deny market access, and such practices are subject to substantial penalties and may also be subject to compensation for losses and orders to divide the enterprise. Further, the Competition Commission of India has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

If we or any member of our group, including Yatra India, are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the Competition Commission of India or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our business, financial performance and reputation may be materially and adversely affected.

Acquisitions, mergers and amalgamations which exceed certain revenue and asset thresholds require prior approval by the Competition Commission of India. Any such acquisitions, mergers or amalgamations which have an appreciable adverse effect on competition in India are prohibited and void. There can be no assurance that we will be able to obtain approval for such future transactions on satisfactory terms, or at all.

Risks Related to Our Ordinary Shares

We have received notification from NASDAQ that we are not in compliance with the requirement of Nasdaq Marketplace Rule 5550(a)(2) for continued inclusion on the NASDAQ Capital Market as a result of the closing bid price for the Company's ordinary shares being below \$1.00 for 30 consecutive business days. If our ordinary shares are delisted from the NASDAQ Capital Market, our business, financial condition, results of operations and share price could be adversely affected, and the liquidity of our ordinary shares and our ability to obtain financing could be impaired.

On July 29, 2020, the Company received a letter from the Listing Qualifications department of The Nasdaq Stock Market LLC notifying the Company that it was not in compliance with the requirement of Nasdaq Marketplace Rule 5550(a)(2) for continued inclusion on the NASDAQ Capital Market as a result of the closing bid price for the Company's ordinary shares being below \$1.00 for 30 consecutive business days. This notification has no effect on the listing of the Company's ordinary shares at this time.

In accordance with the Nasdaq Marketplace Rules, the Company was provided an initial period of 180 calendar days, or until January 25, 2021, to regain compliance, which will require a closing bid price for the Company's ordinary shares above \$1.00 for a minimum of 10 consecutive business days. If the Company does not comply with Marketplace Rule 5550(a)(2) by January 25, 2021, the Company may be eligible for additional time to demonstrate compliance with the bid price requirement. To qualify, the Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the NASDAQ Capital Market, with the exception of the bid price requirement, and will need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. If the Company meets these requirements, the Company will be granted an additional 180 days to become compliant. If the Company does not qualify for the second compliance period or fails to regain compliance during the second 180-day period, then Nasdaq will notify the Company of its determination to delist the Company's ordinary shares, at which point the Company would have an opportunity to appeal the delisting determination to a Hearings Panel.

Outstanding warrants and options, which are exercisable for our Ordinary Shares and restricted securities that vest, may increase the number of shares eligible for future resale in the public market and result in dilution to our shareholders.

As of March 31, 2020, there were outstanding warrants to purchase an aggregate of 17,537,958 Ordinary Shares. Outstanding warrants to purchase an aggregate of 17,337,500 Ordinary Shares became exercisable after January 15, 2017 and will expire at 5:00 p.m., New York time, on the earlier to occur of: (x) December 16, 2021, (y) the liquidation of our company or (z) the redemption date, which shall be a date fixed by us in the event that we elect to redeem all of these warrants. The exercise price of these warrants will be \$5.75 per half-share, or approximately \$199,381,250 in the aggregate for all shares underlying these warrants, assuming none of the warrants are exercised through "cashless" exercise. Outstanding warrants to purchase an aggregate of 46,458 Ordinary Shares became exercisable after December 16, 2016 and will expire on July 24, 2023 at 6:00 p.m., Pacific Time. The exercise price of these warrants will be \$26.9058 per share, assuming none of the warrants are exercised through "cashless" exercise. Outstanding warrants to purchase an aggregate of 154,000 Ordinary Shares became exercisable on September 12, 2017 and will expire on September 12, 2022. The exercise price of these warrants is \$12.00 per share. In addition, as of March 31, 2020, there were outstanding options to purchase an aggregate of 1,609,084 Ordinary Shares (including 914,925 Company restricted stock units) and outstanding restricted shares which, when vested, will result in the issuance of 1,609,084, Ordinary Shares. To the extent the above-described warrants or options are exercised or the above-described restricted shares vest, or if we issue any additional equity securities, including but not limited to options, warrants, restricted shares or other derivative securities convertible into our Ordinary Shares, additional Ordinary Shares may be issued, which could result in significant dilution to our shareholders

and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants or options may be exercised, or that a significant number of restricted securities may vest, could adversely affect the market price of our Ordinary Shares.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than under U.S. law, you could have less protection of your shareholder rights than you would under U.S. law.

We are an exempted company incorporated under the laws of the Cayman Islands. As a result, it may be difficult for investors to effect service of process within the United States upon our directors or executive officers, or enforce judgments obtained in the United States courts against our directors or officers.

Our corporate affairs are governed by our Sixth Amended and Restated Memorandum and Articles of Association, the Cayman Islands Companies Law (2020 Revision, as the same may be supplemented or as amended from time to time), and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, the decisions of whose courts are of persuasive authority, but are not binding on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are different from under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws as compared to the United States and certain U.S. states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law. In addition, Cayman Islands companies may not have standing to initiate a shareholders derivative action in a Federal court in the United States.

We have been advised by our Cayman Islands legal counsel, Maples and Calder, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against our company judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state and (ii) in original actions brought in the Cayman Islands, to impose liabilities against our company predicated upon the civil liability provisions of the securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere. There is recent Privy Council authority (which is binding on the Cayman Islands Court) in the context of a reorganization plan approved by the New York Bankruptcy Court which suggests that due to the universal nature of bankruptcy/insolvency proceedings, foreign money judgments obtained in foreign bankruptcy/insolvency proceedings may be enforced without applying the principles outlined above. However, a more recent English Supreme Court authority (which is highly persuasive but not binding on the Cayman Islands Court), has expressly rejected that approach in the context of a default judgment obtained in an adversary proceeding brought in the New York Bankruptcy Court by the receivers of the bankruptcy debtor against a third

party, and which would not have been enforceable upon the application of the traditional common law principles summarized above and held that foreign money judgments obtained in bankruptcy/insolvency proceedings should be enforced by applying the principles set out above, and not by the simple exercise of the Courts' discretion. Those cases have now been considered by the Cayman Islands Court. The Cayman Islands Court was not asked to consider the specific question of whether a judgment of a bankruptcy court in an adversary proceeding would be enforceable in the Cayman Islands, but it did endorse the need for active assistance of overseas bankruptcy proceedings. We understand that the Cayman Islands Court's decision in that case has been appealed and it remains the case that the law regarding the enforcement of bankruptcy/insolvency related judgments is still in a state of uncertainty.

You will have limited ability to bring an action against our company or against our directors and officers, or to enforce a judgment against us or them, because we are incorporated in the Cayman Islands, because we conduct a majority of our operations in India and because a majority of our directors and officers reside outside the United States.

We are incorporated in the Cayman Islands and conduct the majority of our operations in India. Most of our assets are located outside the United States. A majority of our officers and directors reside outside the United States and a substantial portion of the assets of those persons are located outside of the United States. As a result, it could be difficult or impossible for you to bring an action against our company or against these individuals in the Cayman Islands or in India in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of India could render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Shareholders of Cayman Islands exempted companies such as our company have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders of these companies. Our directors have discretion under Cayman Islands law to determine whether or not, and under what conditions, our corporate records could be inspected by our shareholders, but are not obliged to make them available to our shareholders. This could make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, public shareholders might have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a U.S. company.

As a "foreign private issuer" under the rules and regulations of the SEC, we are permitted to, and will, file less or different information with the SEC than a company incorporated in the United States or otherwise subject to these rules, and may follow certain home country corporate governance practices in lieu of certain Nasdaq requirements applicable to U.S. issuers.

We are considered a "foreign private issuer" under the Exchange Act and are, therefore, exempt from certain rules under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations for U.S. and other issuers. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or within the same time frames as U.S. companies with securities registered under the Exchange Act. We currently prepare our financial statements in accordance with IFRS. We will not be required to file financial statements prepared in accordance with or reconciled to U.S. GAAP so long as our financial statements are prepared in accordance with IFRS as issued by the IASB. We are not required to comply with Regulation FD under the Exchange Act, which imposes restrictions on the selective disclosure of material information to shareholders. In addition, our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our securities. Furthermore, as a "foreign private issuer" whose Ordinary Shares are listed on the Nasdaq, we are permitted to follow certain home country corporate governance practices in lieu of certain Nasdaq

requirements. A foreign private issuer must disclose in its annual reports filed with the SEC each Nasdaq requirement with which it does not comply followed by a description of its applicable home country practice.

We could lose our status as a "foreign private issuer" under current SEC rules and regulations if more than 50% of our outstanding voting securities become directly or indirectly held of record by U.S. holders and one of the following is true: (i) the majority of our directors or executive officers are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States. If we lose our status as a foreign private issuer in the future, we will no longer be exempt from the rules described above and, among other things, will be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the United States. If this were to happen, we would likely incur substantial costs in fulfilling these additional regulatory requirements and members of our management would likely have to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled.

We are an emerging growth company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the U.S. Jumpstart Our Business Startups Act of 2012, or JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As a result, our shareholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Ordinary Shares held by non-affiliates exceeds \$700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised accounting standard on the relevant date on which adoption of such standard is required by the IASB. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We have a staggered board of directors, which could impede an attempt to acquire our company or remove our management.

Our board of directors is divided into three classes, each of which serves for a staggered term of three years. A staggered board makes it more difficult for shareholders to change a majority of the directors since only approximately one third of the existing board of directors may be replaced at any election of directors. This arrangement may have the effect of keeping the current members of our board of directors in control for a longer period of time than shareholders may desire, and may impede any attempts to take over our company or change or remove our management.

As a "foreign private issuer" whose Ordinary Shares are listed on the Nasdaq, we are permitted to follow certain home country corporate governance practices in lieu of certain Nasdaq requirements. See "—As a "foreign private issuer" under the rules and regulations of the SEC, we are permitted to, and will, file less or different information with the SEC than a company incorporated in the United States or otherwise subject to these rules, and may follow certain home country corporate governance practices in lieu of certain Nasdaq requirements applicable to U.S. issuers." As of March 2020, consistent with our home country practice, we determined not to hold annual general meetings. We have not held an annual general meeting since our December 12, 2018 annual general meeting and board members whose three-year term would have otherwise expired will continue in their positions as directors until our next annual general meeting is held.

In connection with our Business Combination, we granted certain shareholders rights to nominate directors for election to our board and also entered into an investor rights agreement with certain of those shareholders, which provides additional rights to nominate directors for election to our board. Except as provided in the Business Combination Agreement and the investor rights agreement, our shareholders do not have the ability to nominate directors for election to our board.

On December 16, 2016, we entered into the Investor Rights Agreement with MIHI LLC, the Terrapin Sponsors and certain other Terrapin 3 Acquisition Corporation stockholders and Yatra shareholders who received certain of our Ordinary Shares in connection with the Business Combination. The Investor Rights Agreement grants the each of MIHI LLC and, collectively, the Terrapin Sponsors the right to designate one representative to attend any or all meetings of our board of directors in a non-voting observer capacity. The Investor Rights Agreement also provides certain of our investors and our executive officers, Dhruv Shringi and Manish Amin, the right to nominate an individual for election to our board upon the resignation, removal, death or disability of any of the directors initially designated by our company pursuant to the terms of the Business Combination Agreement, as well as the right to re-nominate any of such directors who are Class I or Class II directors two successive times and the right to re-nominate any of such directors who are Class III directors one time or to designate a replacement for any such director. Although any shareholder may recommend potential director candidates to our Board, except as provided in the Business Combination Agreement and the Investor Rights Agreement, our shareholders do not have the ability to nominate directors for election to our Board. As a result, shareholders granted the right to nominate individuals to our board in connection with the Business Combination or the Investor Rights Agreement may be able to influence the composition of our board and, in turn, potentially influence and impact future actions taken by our board.

An active or liquid trading market for our Ordinary Shares may not be maintained and the trading price for our Ordinary Shares may fluctuate significantly.

An active, liquid trading market for our Ordinary Shares may not be maintained in the long term and we cannot be certain that any trading market for our Ordinary Shares will be sustained or that the present price will correspond to the future price at which our Ordinary Shares will trade. Loss of liquidity could increase the price volatility of our Ordinary Shares.

Any additional issuance of our Ordinary Shares would dilute the positions of existing investors in our Ordinary Shares and could adversely affect the market price of our Ordinary Shares. We cannot assure you that our Ordinary Shares will not decline below their prevailing market price. You may be unable to sell your Ordinary Shares at a price that is attractive to you.

In connection with the Business Combination, we issued certain shareholders warrants to purchase our Ordinary Shares with provisions that require liability classification. These warrants require us to "mark to market" (i.e., record the derivatives at fair value) as of the end of each reporting period as liabilities on our balance sheet. Any volatility in the trading price for our Ordinary Shares would also impact the fair value determination of our outstanding warrants. A significant increase in the trading price for our Ordinary Shares, while we are required to mark-to-market the fair value of our outstanding warrants, may have a significant adverse impact on our operating results.

The sale or availability for sale of substantial amounts of our Ordinary Shares could adversely affect their market price.

Sales of substantial amounts of our Ordinary Shares in the public market, or the perception that such sales could occur, could adversely affect the market price of our Ordinary Shares and could materially impair our future ability to raise capital through offerings of our Ordinary Shares.

As of July 10, 2020, we had 55,531,820 Ordinary Shares issued and outstanding, 2,076,094 Class F shares issued and outstanding (each convertible into 0.00001 of an Ordinary Share upon the exchange of a parallel Yatra USA Class F Share) and 2,392,168 Class A shares issued and outstanding, and Yatra USA had 2,076,094 Yatra USA Class F Shares issued and outstanding (each exchangeable for one Ordinary Shares at any time at the option of the holder). Subject to applicable restrictions and limitations under Rule 144 of the Securities Act, all of our shares and the Yatra USA Class F Shares outstanding are eligible for sale in the public market. If these shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our Ordinary Shares could decline. We cannot predict what effect, if any, market sales of our Ordinary Shares held by our significant shareholders or any other shareholder or the availability of these ordinary shares for future sale will have on the market price of our Ordinary Shares.

Future issuances of any equity securities may dilute the interests of our shareholders and decrease the trading price of our Ordinary Shares.

Any future issuance of equity securities could dilute the interests of our shareholders and could substantially decrease the trading price of our Ordinary Shares. We may issue equity or equity-linked securities in the future, including pursuant to a private investment in public equity or other offering of equity securities, for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions and other transactions), to adjust our ratio of debt to equity, to satisfy the obligations upon the exercise of then-outstanding options or other equity-linked securities, if any, or for other reasons.

We will have to rely principally on dividends and other distributions on equity paid by our operating subsidiaries, and limitations on their ability to pay dividends to us could adversely impact shareholders' ability to receive dividends on our Ordinary Shares.

Dividends and other distributions on equity paid by our operating subsidiaries will be our principal source for cash in order for us to be able to pay any dividends and other cash distributions to our shareholders. As of the date hereof, Yatra India or any other subsidiary has not paid any cash dividends on its equity shares. If our operating subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, as our key operating indirect subsidiary is established in India, it is

subject to certain limitations with respect to dividend payments and increased tax payments on such distribution. Limitations on our subsidiaries' ability to pay dividends to us could adversely impact our shareholders' ability to receive dividends on our Ordinary Shares.

Outstanding warrants and options, which are exercisable for our Ordinary Shares and restricted securities that vest, may increase the number of shares eligible for future resale in the public market and result in dilution to our shareholders.

As of July 10, 2020, there were outstanding warrants to purchase an aggregate of 17,537,958 ordinary shares. Outstanding warrants to purchase an aggregate of 17,337,500 Ordinary Shares became exercisable after January 15, 2017 and will expire at 5:00 p.m., New York time, on the earlier to occur of: (x) December 16, 2021, (y) the liquidation of our company or (z) the redemption date, which shall be a date fixed by us in the event that we elect to redeem all of these warrants. The exercise price of these warrants will be \$5.75 per half-share, or approximately \$199,381,250 in the aggregate for all shares underlying these warrants, assuming none of the warrants are exercised through "cashless" exercise. Outstanding warrants to purchase an aggregate of 46,458 Ordinary Shares became exercisable after December 16, 2016 and will expire on July 24, 2023 at 6:00 p.m., Pacific Time. The exercise price of these warrants will be \$26.9058 per share, assuming none of the warrants are exercised through "cashless" exercise. Outstanding warrants to purchase an aggregate of 154,000 Ordinary Shares became exercisable on September 12, 2017 and will expire on September 12, 2022. The exercise price of these warrants is \$12.00 per share. In addition, as of July 10, 2020, there were outstanding options to purchase an aggregate of 1,432,021 Ordinary Shares (including 912,582 Company restricted stock units) and outstanding restricted shares which, when vested, will result in the issuance of 1,432,021, Ordinary Shares. To the extent the above-described warrants or options are exercised or the above-described restricted shares vest, or if we issue any additional equity securities, including but not limited to options, warrants, restricted shares or other derivative securities convertible into our Ordinary Shares, additional Ordinary Shares may be issued, which could result in significant dilution to our shareholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants or options may be exercised, or that a significant number of restricted securities may vest, could adversely affect the market price of our Ordinary Shares.

If securities or industry analysts do not publish or cease publishing research or reports about our company, our business, or our market, or if they change their recommendations regarding our Ordinary Shares adversely, the price and trading volume of our Ordinary Shares could decline.

The trading market for our Ordinary Shares will be influenced by the research and reports that industry or securities analysts may publish about our company, our business, our market, or our competitors. If any of the analysts who may cover our company change their recommendation regarding our shares adversely, or provide more favorable relative recommendations about our competitors, the price of our Ordinary Shares would likely decline. If any analyst who may cover our company were to cease coverage of our company or fail to regularly publish reports on our company, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

If the benefits of any of our acquisitions do not meet the expectations of investors or securities analysts, the market price of our securities may decline.

If the benefits of any of our past or potential future acquisitions, including our ATB and TCIL acquisitions, do not meet the expectations of investors or securities analysts, the market price of our securities may decline. In addition, the trading price of our securities following any acquisition could be volatile and subject to wide fluctuations in response to various factors relating to our acquisition

activity, some of which are beyond our control. For example, our previously anticipated timing for the Second Closing of the ATB Acquisition has been delayed substantially. Our failure to realize anticipated benefits with respect to the ATB acquisition or the TCIL acquisition could negatively impact the price of our securities. In addition, any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- our ability to successfully complete any past or potential future acquisition, and realize the anticipated benefits of such acquisitions;
- actual or anticipated fluctuations in our periodic financial results or the financial results of companies perceived to be similar to ours;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period; changes in financial estimates and recommendations by securities analysts concerning our company or our industry in general;
- operating and stock price performance of other companies that investors deem comparable to ours; changes in laws and regulations affecting our business;
- our ability to meet compliance requirements;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; the volume of our Ordinary Shares available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of our Ordinary Shares by our directors, executive officers or significant shareholders or the perception that such sales could occur;
- any continued slowdown in India's economic growth;
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism; and
- natural calamities such as earthquakes, tsunamis, floods and drought and pandemics or other health crises, such as COVID-19.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for travel-related securities or the stocks of other companies which investors perceive to be similar to ours could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

There is no guarantee that our Ordinary Shares will continue to qualify for listing on Nasdaq for any period of time, or that our warrants will continue to qualify for listing on the OTCQX® Best Market for any period of time, and the failure to have our Ordinary Shares or warrants listed for any reason may negatively affect the value of our Ordinary Shares and/or warrants, as applicable.

Our Ordinary Shares began trading on Nasdaq under the symbol "YTRA" on December 19, 2016. There are no guarantees that our Ordinary Shares will continue to qualify for listing on Nasdaq. In addition, our warrants began trading on the OTCQX® Best Market under the symbol "YTROF" on December 30, 2016. If our Ordinary Shares and/or warrants are ever in the future delisted, the holders could face significant consequences, including:

- a limited availability for market quotations for our securities;
- reduced liquidity with respect to our securities;
- a determination that our securities are a "penny stock," which will require brokers trading in those securities to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for those securities;
- limited amount of news and analyst coverage for our company in the United States; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

A significant portion of our total outstanding ordinary shares may be sold into the market at any time. This could cause the market price of our Ordinary Shares to drop significantly, even if our business is doing well.

As of July 10, 2020, MIHI LLC, Macquarie Corporate Holdings Pty Limited, Apple Orange LLC, Noyac Path LLC, Periscope, LLC, Terrapin Partners Employee Partnership 3, LLC and Terrapin Partners Green Employee Partnership, LLC (collectively, the Terrapin Sponsors) and certain of their affiliated entities (including Nathan Leight), Network 18 Media & Investments Limited, Reliance Infrastructure Limited, RCH Ltd., entities affiliated with Vincent C. Smith, entities affiliated with Norwest Venture Partners, and entities and people affiliated with Altai Capital Management, LLC beneficially own approximately 33.62% of the issued and outstanding shares of our company, assuming the conversion into Ordinary Shares of all (i) Yatra USA Class F Shares, (ii) Class A non-voting shares and (iii) other convertible shares held at the subsidiary level that are convertible into our Ordinary Shares and held by such parties (or approximately 49.17% of the shares of our company, assuming the exercise or conversion of all of our outstanding warrants), based on information known to us or ascertained by us from public filings made by such shareholders. MIHI LLC has agreed, with certain exceptions, not to transfer, assign or sell any of its Yatra USA Class F Shares until the earlier of (i) December 16, 2017 or (ii) the date on which we complete a liquidation, merger, stock exchange or other similar transaction that results in all of our shareholders having the right to exchange their ordinary shares for cash, securities or other property, and the Terrapin Sponsors have agreed not to transfer, assign or sell any of their shares of Yatra USA until the earlier of (i) June 16, 2018 or (ii) the date on which we complete a liquidation, merger, stock exchange or other similar transaction that results in all of our shareholders having the right to exchange their ordinary shares for cash, securities or other property. With the expiration of this lock-up, the Yatra USA Class F Shares held by MIHI LLC may be converted into our Ordinary Shares and sold in the public market. The shares held by MIHI LLC could also have been sold prior to the expiration of the applicable lock-up if the last sale price of our Ordinary Shares equaled or exceeded \$12.00 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing May 15, 2017. In addition, once we became eligible to use Form F-3 or its successor form, we became obligated to file a shelf registration statement to register the resale of certain of our Ordinary Shares issued in connection with the Business Combination. As restrictions on

resale end, the market price of our Ordinary Shares could decline if the holders of previously restricted shares sell them or are perceived by the market as intending to sell them.

Foreign Account Tax Compliance Act

The United States Foreign Account Tax Compliance Act, or FATCA, imposes a reporting regime and, potentially, a 30% withholding tax on certain payments made to certain non-US financial institutions that fail to comply with certain information reporting, account identification, withholding, certification and other FATCA related requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. To avoid becoming subject to FATCA withholding, we may be required to report information to the IRS regarding the holders of our Ordinary Shares and to withhold on a portion of payments with respect to our Ordinary Shares to certain holders that fail to comply with the relevant information reporting requirements (or that hold our Ordinary shares directly or indirectly through certain non-compliant intermediaries). This withholding tax made with respect to our Ordinary Shares will not apply to payments made before the date that is two years after the date of publication of final regulations defining the term "foreign passthru payment". An intergovernmental agreement between the United States and another country may also modify these requirements. FATCA is particularly complex and its application is uncertain at this time. Holders of our Ordinary Shares should consult their tax advisors to obtain a more detailed explanation of FATCA and to learn how FATCA might affect each holder in its particular circumstances.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

Yatra Online, Inc. is a Cayman Islands exempted company with operations primarily in India. We were incorporated as a private exempted company with limited liability on December 15, 2005 and subsequently became a public company upon the consummation of the Business Combination. Our registered office is located at c/o Maples Corporate Services Limited, PO Box-309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands. Our principal executive office is located at Gulf Adiba, Plot No. 272, 4th Floor, Udyog Vihar, Phase II, Sector—20, Gurugram, Haryana—122008, India, and our telephone number at this office is (+91 124) 4591700. Our principal website address is www.yatra.com and our other main website is www.travelguru.com. We do not incorporate the information contained on, or accessible through, our websites into this Annual Report, and you should not consider it a part of this Annual Report. Our agent for service of process in the United States is Puglisi & Associates located at 850 Library Avenue, Suite 204, Newark, Delaware 19715.

Yatra is a leading online travel company in India, addressing the needs of both leisure and business travelers. Founded by Dhruv Shringi, Manish Amin, and Sabina Chopra, we commenced operations with the launch of our website in August 2006. We believe Yatra is India's largest independent corporate travel services provider and the second largest consumer online travel company in India (based on management's analysis of publicly available information), with approximately 11.1 million travelers that have booked their travel through us as of March 31, 2020. Through our website, www.yatra.com, our mobile applications and our other associated platforms, leisure and business travelers can explore, research, compare prices and book a wide range of services catering to their travel needs.

B. Business Overview

Leisure and business travelers use our mobile applications, our website, www.yatra.com, and our other offerings and services to explore, research, compare prices and book a wide range of travel-related services. These services include domestic and international air ticketing on nearly all Indian and

international airlines, as well as bus ticketing, rail ticketing, cab bookings and ancillary services within India. We also provide access through our platform to hotels, homestays and other accommodations, with approximately 102,000 hotels (as of June 30, 2020) and homestays in approximately 1,400 cities and towns across India and more than 1.6 million hotels around the world. To ensure that our service is truly a "one-stop shop" for travelers, we also provide our customers with access to approximately 1,250 holiday packages and more than 180,000 other activities such as tours, sightseeing, shows, and events.

India is one of the world's largest and fastest growing economies, with a large middle class, increasing disposable income and a rapidly growing online consumer segment. We believe that our focus on both the corporate as well as the consumer travel market positions us to address this combined market opportunity.

To address this large market opportunity and drive the growth of our consumer business, which is our key focus, we operate through three go-to-market strategies: B2C (business to consumer), B2E (business to enterprise) and B2B2C (business to business to consumer). We believe that the combination of our B2C and B2E channels enables us to target India's most frequent and high spending travelers, namely, educated urban consumers, in a cost-effective manner. Our B2B2C channel provides additional scale to our business by leveraging our technology platform in order to cost-effectively aggregate consumer demand from approximately 26,000 travel agents in more than 730 cities across India as of March 31, 2020. In addition, during the fourth quarter of our fiscal year 2019, we acquired TCIL, to strengthen our foothold in Southern India which further reinforced our leadership position in the enterprise travel segment.

Our business is based on a single technology platform that serves our customers through multiple mobile applications as well as our website. Our single platform approach provides us with a scalable, comprehensive and consistent user experience across each of our three go-to-market channels. We believe that this approach drives user familiarity with our service and encourages repeat use by our customers, which further enhances customer loyalty for our business. In addition, in order to further strengthen customer loyalty and provide an incentive to the employees of our B2E customers to become B2C customers, we operate our eCash loyalty program that enables travelers that book through our platform to accumulate and redeem points. During fiscal year 2020, approximately 96%* of our customers' visits were from direct and organic traffic.

We define a "visit" as a group of interactions on our platform that occur within a 30-minute time frame. A single visit can contain multiple screen or page views, events and transactions. We use "traffic" and "visits" interchangeably in this Annual Report.

We have moved towards a "Mobile First" business and have experienced rapid user growth on our platform with mobile being the primary channel for customers to engage with us. During the fiscal year 2020, our web and mobile properties received approximately 212* million visits, a 31% decrease compared to that of fiscal year 2019 partly as a result of the COVID-19 pandemic and partly as result of the bankruptcy of one of India's largest airlines in fiscal year 2020 as well as a mix shift in our business. Our mobile applications have been downloaded approximately 20 million times.

Based on our large and loyal customer base, our comprehensive service offerings, our experienced management team and our multi-channel strategy, we believe that we are well-positioned to capitalize on the burgeoning Indian travel market. Our brand is among the most well-recognized in not only the Indian online travel industry, but all of Indian Internet commerce, and we believe that this creates a significant competitive advantage. Leveraging our brand and technology platform, we intend to continue to expand and enhance our offerings through innovative travel solutions that will grow our business, improve our customer experience and meet the changing needs of business and leisure

* We transitioned from Omniture to Google analytics during the fiscal year 2020 and as a result, certain sources of traffic have been considered on an average basis during the transition period

travelers. For example, we have opened up our holidays booking platform to third-party vendors enabling them to sell holiday products alongside those packaged by us using our platform as a marketplace, providing our customers with a wide selection of products and services.

We experience seasonal fluctuations in the demand for travel services and products offered by us. We tend to experience higher revenues from our Hotels and Packages business in the second and fourth calendar quarters of each year, which coincide with the summer holiday travel season and the year-end holiday travel season for our customers in India.

Our revenue was INR 7,259.4 million in fiscal year 2020 and INR 9,358.6 million in fiscal year 2019, representing a decline of 22.4% over that period. Our Adjusted Revenue was INR 5,982.4 million in fiscal year 2020 and INR 8,911.0 million in fiscal year 2019, representing a decrease of 32.9%. In addition, our Gross Bookings for Air Ticketing and Hotels and Packages decreased to INR 85.3 billion in fiscal year 2020 from INR 111.1 billion in fiscal year 2019, representing a decrease of 23.3%.

We have invested significant capital on our technology platform and on sales and marketing efforts to build our brand and to acquire customers. However during the fiscal year 2020, we have witnessed year over year decline of 29%* in our mobile traffic partly as a result of the COVID-19 pandemic and partly as result of the bankruptcy of one of India's largest airlines in fiscal year 2020 as well as a mix shift in our business.

The installation rate for our mobile applications increased 14% from March 31, 2019 to March 31, 2020. In addition, we receive over 17.7* million online shopper visits on our platform each month.

During fiscal years 2020 and 2019, our net losses were INR 840.2 million and INR 1,193.6 million, respectively.

Adjusted Revenue is a non-IFRS measure. For more information about the non-IFRS measures and a reconciliation to the most comparable IFRS measure, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics."

Recent Developments

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") was initially detected in China, and over the subsequent months the virus spread globally. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The COVID-19 pandemic has severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. In response to the pandemic, the governments of many countries, states, cities and other geographic regions have implemented containment measures, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Individuals' ability to travel has been curtailed through border closures across the world, mandated travel restrictions and limited operations of hotels and airlines, and may be further limited through additional voluntary or mandated closures of travel-related business. The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new air travel, hotel and holiday bookings. Due to the high degree of cancellations and customer refunds and lower new bookings in our Air Ticketing and Hotels and Packages segments, we are experiencing unfavorable working capital trends and material negative cash flow. This is expected to continue until cancellations stabilize and travel demand begins to recover from

* We transitioned from Omniture to Google analytics during the fiscal year 2020 and as a result, certain sources of traffic have been considered on an average basis during the transition period

current levels, at which time Ticketing, including air travel, and Hotel and Packages bookings and cash flow are expected to increase.

We have implemented certain measures and modified certain policies in light of the COVID-19 pandemic. For example, we have largely automated our re-scheduling and cancellation of bookings and provided our customers greater flexibility to defer or cancel their travel plans. In addition, we have also undertaken certain cost reduction initiatives, including implementing salary reductions and freezes and work from home policies, renegotiating fixed costs such as rent, deferring non-critical capital expenditures, reducing our marketing expenses and renegotiating our supplier payments and contracts. We expect to continue to adapt our policies and cost reduction initiatives as the situation evolves. Although travel restrictions and quarantine orders are gradually being lifted, it remains difficult to predict the duration of the long-term impact from the virus. See "Risk Factors—The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position."

ATB Acquisition

On July 20, 2017, we, through our subsidiary Yatra Online Private Limited, or Yatra India, agreed to acquire all of the outstanding shares of Air Travel Bureau Private Limited (formerly known as Air Travel Bureau Limited), or ATB, pursuant to a Share Purchase Agreement, or ATB Share Purchase Agreement, by and among Yatra India, ATB and the sellers party thereto, or the Sellers. Pursuant to the terms of the ATB Share Purchase Agreement, we: (a) acquired a majority of the outstanding shares of ATB on August 4, 2017 in exchange for a payment of approximately INR 510 million and (b) agreed to acquire the balance of the outstanding shares of ATB in exchange for a final payment, or Final Payment, to be made at a second closing, or Second Closing. Further, in FY19, Yatra India had also made an advance payment of INR 200 million towards the acquisition of the balance outstanding shares of ATB.

On October 14, 2019, Yatra India and ATB entered into a Settlement and Amendment Agreement, or Settlement Agreement, with Mr. Sunil Narain, or Mr. Narain, and ATB Finance and Investment Private Limited, or ATB Finance and, together with Mr. Narain, the Sellers, pursuant to which Yatra India, ATB and the Sellers, or collectively, the Parties, have agreed, subject to the conditions set forth in the Settlement Agreement, to settle any and all disputes and claims arising from or relating to the ATB Share Purchase Agreement and also to amend certain terms of the ATB Share Purchase Agreement .

Pursuant to the Settlement Agreement, in October 2019, the Parties filed a joint application for disposal, in terms of the Settlement Agreement, of the arbitration proceedings that had previously been initiated by Yatra India against Mr. Narain and a related appeal previously filed by Mr. Narain with the High Court of Delhi. In October, 2019, the arbitration proceedings terminated and a consent award was passed by the arbitrator. Also in October, 2019 the related appeal was disposed of by the High Court of Delhi, in terms of the Settlement Agreement. In addition, pursuant to the Settlement Agreement, in October 2019, the Parties filed a joint petition with the High Court of Delhi to quash a First Information Report and all proceedings arising therefrom, which the High Court granted in December 2019, subject to certain costs imposed on Yatra India, however, following an appeal filed by Yatra India, the Supreme Court of India, issued an order in February, 2020, in which it, inter alia, reversed the cost. Finally, pursuant to the Settlement Agreement, each Party appointed an accounting firm to proceed with the calculation of the final purchase price adjustments necessary to determine the amount of a final payment to be made by Yatra India to Sellers under the ATB Share Purchase Agreement, as amended, and that process was concluded today July 29, 2020.

The amount of the final payment to be paid by Yatra India to Sellers under the ATB share purchase agreement has been determined to be INR 800 million, which is INR 390 million lower as

against the earnout contingency provision of INR 1,190 million per our last balance sheet as of March 31, 2019. Post this settlement, ATB will become a 100% subsidiary of Yatra, which will allow for greater integration of the business going forward.

Termination of Ebix Merger Agreement

On June 5, 2020, we provided to Ebix, Inc. ("Ebix") a notice terminating the Merger Agreement dated as of July 16, 2019 by and among us, Ebix, and EbixCash Travels Inc. ("EbixCash") and filed a complaint in the Court of Chancery of the State of Delaware against Ebix and EbixCash for their various breaches of the Merger Agreement and an ancillary agreement executed by the parties on May 14, 2020 (the "Extension Agreement"). The Complaint alleges that Ebix breached its representations, warranties, covenants, and obligations in the Merger Agreement and Extension Agreement and that its conduct prevented the parties from closing the Merger. The Complaint seeks monetary damages, pre-judgment and post-judgment interest, and our reasonable fees and costs. Ebix has publicly stated that it may assert counterclaims against us, which we intend to defend vigorously. The outcome of legal proceedings generally, regardless of the merits, is inherently uncertain and there can be no assurances that we will prevail in the litigation against Ebix. In addition, litigation and related matters are costly and may divert the attention of our management and other employee resources that would otherwise be engaged in other activities, which could adversely impact our business. If any claims are brought against us and result in a finding of legal liability or if we were unable to prevail in our claims in this litigation, our business, results of operations, liquidity and financial condition could be adversely affected. In addition, allegations of wrongful conduct by Ebix, regardless of veracity, may harm our reputation, which may also adversely impact our business and growth prospects.

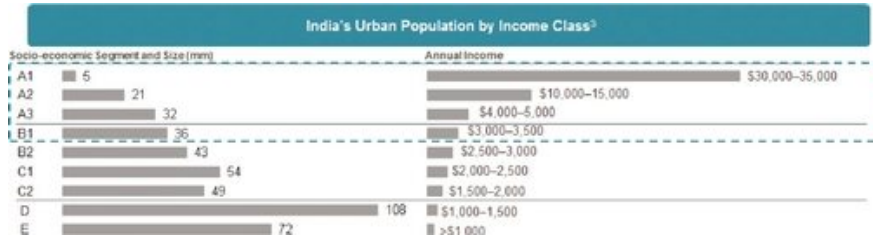
Recent Developments in the Indian Air Travel Industry

In response to the COVID-19 pandemic, the Government of India initiated a complete nationwide lockdown on March 22, 2020, resulting in an immediate shutdown of domestic and international air travel. Although Indian air traffic reopened as of May 25, 2020, the Indian air travel industry continues to experience lower volumes of domestic and international flight traffic. From January 1, 2020 to June 20, 2020, the number of passengers decreased by 50% compared to same period in the prior year. On May 7, 2020, the Government of India implemented a "Vande Bharat" program for repatriating Indian citizens and international flights are expected to reopen soon. While we view these steps as positive developments for the Indian air travel industry, we also anticipate that the Indian air travel industry will experience "travel bubbles" as selected flight operators will return to operations, which may lead to a continued gradual recovery of civil aviation activities for international air.

Our Approach

India is one of the world's largest and fastest growing economies, with a large middle class that is benefiting from increasing disposable income and a growing adoption of mobile Internet access. Nevertheless, India's middle class is still a relatively small fragment of India's population. As outlined in the chart below, as of May 2017, India's A1-B1 socio-economic segments, which we believe to

represent the educated urban consumers who are our target customers, represent just 7% of the overall population (1.32 billion) and 23% of the urban population (420 million) in India.



Source: Urban population estimate of 420 million, as of May 2017, per Internet and Mobile Association of India (IAMAI). Socio-economic classification (SEC) breakdown per the Market Research Society of India. Distribution of SEC A1-E segments per MRSI applied to IAMI estimate of 420 million users to arrive to socio-economic segment size. Approximations based on income not directly correlated to socio segmentation hence proxies of income distribution used to estimate the approximate avg. income.

As indicated by the tables below, the Indian corporate travel market represents one of the world's fast growing corporate travel market.



- (1) KPMG & FCM travel report "Redefining Corporate Travel Management" dated January 2019, accessed from Travelbizmonitor.com.
- (2) "Business Travel in India' Emerging Trends & Opportunities" article dated February 13, 2017, accessed from Travelbizmonitor.com.

In order to effectively grow our business and serve the various segments of India's growing middle class, we operate through three go-to-market strategies: B2C, B2E and B2B2C. By using a common technology platform, we believe we are able to effectively target India's educated urban consumers and have multiple points of contact for marketing additional services to existing customers.

- Our consumer, or B2C, offerings are provided directly to consumers through our apps and website.
- Our corporate, or B2E, offerings are provided to our customers through a self-booking tool as well as site support with staff for query handling and execution. Our portfolio of more than 700 large corporate customers as of March 31, 2020 (including corporate customers of ATB and TCIL) includes leading organizations from India that employ more than 4 million people, helping to make our B2E business India's largest corporate travel agency. We have also ramped up our efforts for signups of small and medium enterprises and entered into a partnership with one of the world's leading service providers for providing an expense management solution.

- Our trade, or B2B2C, offerings address the needs of a large and fragmented market of travel agents providing access to approximately 26,000 registered agents in more than 730 cities across India as of March 31, 2020, and particularly in smaller markets (which we refer to herein as Tier 2 and Tier 3 cities or markets) where Internet penetration has traditionally been lower and where cash payments are still the predominant form of travel purchasing.

We believe that our broad and diverse offerings provide us with considerable cross-selling opportunities across our go-to-market channels, each of which has experienced strong growth in gross bookings. Using our common technology platform, business customers, who are introduced to our platform through their employers, are able to explore and book their leisure travel, and in some cases our eCash program rewards and incentivizes them for doing so. We believe that these aspects of our platform and the high number of repeat visitors and repeat transactions provide us with a cost effective way to grow our business while providing a high quality service to our customers.

Our Platform

We have developed a common technology platform approach that enables a consistent user experience across multiple channels and different products, supporting our go-to-market strategy across our B2C, B2E and B2B2C channels. Our customer "touch-points" include our mobile applications, website and call centers as well as 'embedded' teams within some of our B2E clients. In addition, through our platform, we address the needs of a large fragmented market of travel agents, empowering over 26,000 agents in more than 730 cities across India as of March 31, 2020. Combining these offerings on a common technology platform allows us to develop an ongoing repeat relationship with our customers regardless of the specific channel through which they started using our services. For example, using our platform, B2E customers are able to explore and book their subsequent leisure travel through Yatra, potentially benefiting from our eCash program that rewards them for doing so.



- (1) Data for the twelve months ended March 31, 2020 for flagship brand Yatra.com only and excludes data from B2E and B2B2C businesses.
- (2) Cumulative as of March 31, 2020; does not include data for B2B2C business.
- (3) Approximate count as of March 31, 2020 and includes the employees of corporate customers of ATB and TCIL.
- (4) As of March 31, 2020.

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- (5) Hotel count as on June 30, 2020
- (6) We transitioned from Omniture to Google analytics during the year certain sources of traffic have been considering on an Average basis during the transition period

Our website and mobile applications provide the following capabilities:

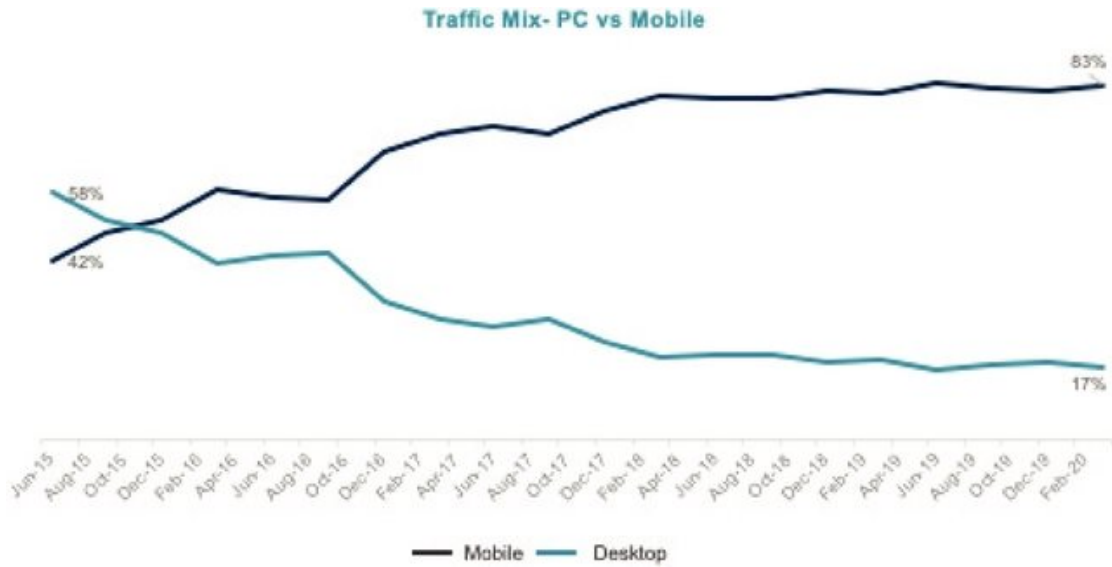
- *Exploring & Searching:* Our web and mobile platforms enable customers to explore and search flights, hotels, holiday packages, buses, trains and activities. We have developed a Natural Language Processing/Machine Learning, or NLP/ML based text/voice search engine on our website and our Facebook Bot to optimize search results. We also have a NLP/ML-based customer support knowledge engine to address users' queries without dialing the call center, thereby reducing the servicing cost and increasing customer satisfaction levels. To further engage consumers, we have a number of features such as "Lowest Fare Finder," "Super Saver," "Things To Do" and notifications.
- *Total Visibility:* Using our platform, customers are able to search for the lowest price available on any given date, identify dates with public holidays and widely celebrated events, and obtain additional information such as tripadvisor.com reviews, information on refundable or non-refundable fares, number of stops on airline bookings, and hotel and room amenities.
- *Booking:* Once a customer has decided to book travel, we offer a range of payment options. In addition, for international transactions, we use a "Dynamic Currency Converter," which supports 29 currencies and converts prices from INR to another currency so that international credit cards can be charged.

Mobile Applications

As smartphone penetration has grown in India, our mobile apps have become a critical component of our consumer offerings. We have multiple applications for a variety of consumer segments and services including:

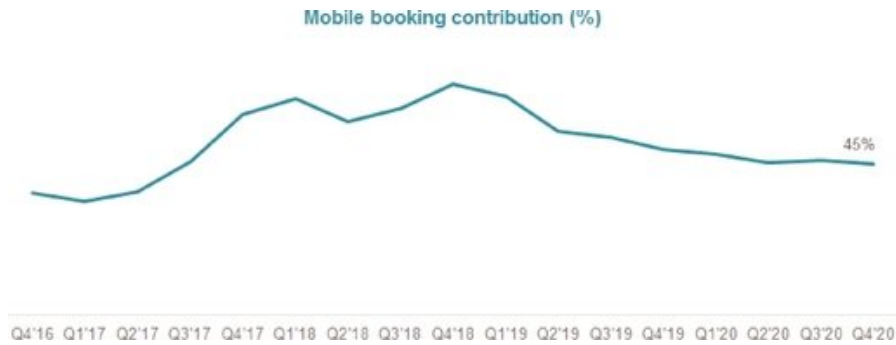
- *Yatra:* Our primary mobile interface to our core platform, which has been downloaded approximately 20 million times.
- *Yatra Mini:* A multilingual, mass-market Android application providing consumers with ready access to rail and bus bookings as well as budget hotels.
- *Yatra Web Check-In:* An application designed to ease the flight check-in process for travelers.
- *Yatra Corporate:* A self-booking application for our business customers.
- *Travelguru HomeStay:* An application that connects homeowners and travelers to facilitate homestay bookings.
- *Yatra Hoteliers DESTranet:* An application for hotel owners and operators to update and manage their inventories, rates and check-in process.

Since the launch of our mobile apps, we have experienced rapid growth in the traffic on our mobile platforms and in fiscal year 2020, our mobile platforms accounted for approximately 83% of our total consumer visits.



- (1) Data for flagship brand Yatra.com only.
- (2) We transitioned from Omniture to Google analytics during the year certain sources of traffic have been considering on an Average basis during the transition period

Data from B2E and B2B2C businesses



- (1) % of Online Bookings for flagship brand Yatra.com only and excludes data from B2E and B2B2C businesses.

Our Services

We offer comprehensive travel-related services, which include domestic and international air ticketing, hotel bookings, homestays, holiday packages, bus ticketing, rail ticketing, cab booking, activities and ancillary services. During the year ended March 31, 2020 we have experienced year over year decline of 20% in air passengers booked, 49% in stand-alone hotel room nights booked, decline of 17% in packages passengers traveled and 23% in Gross Bookings.

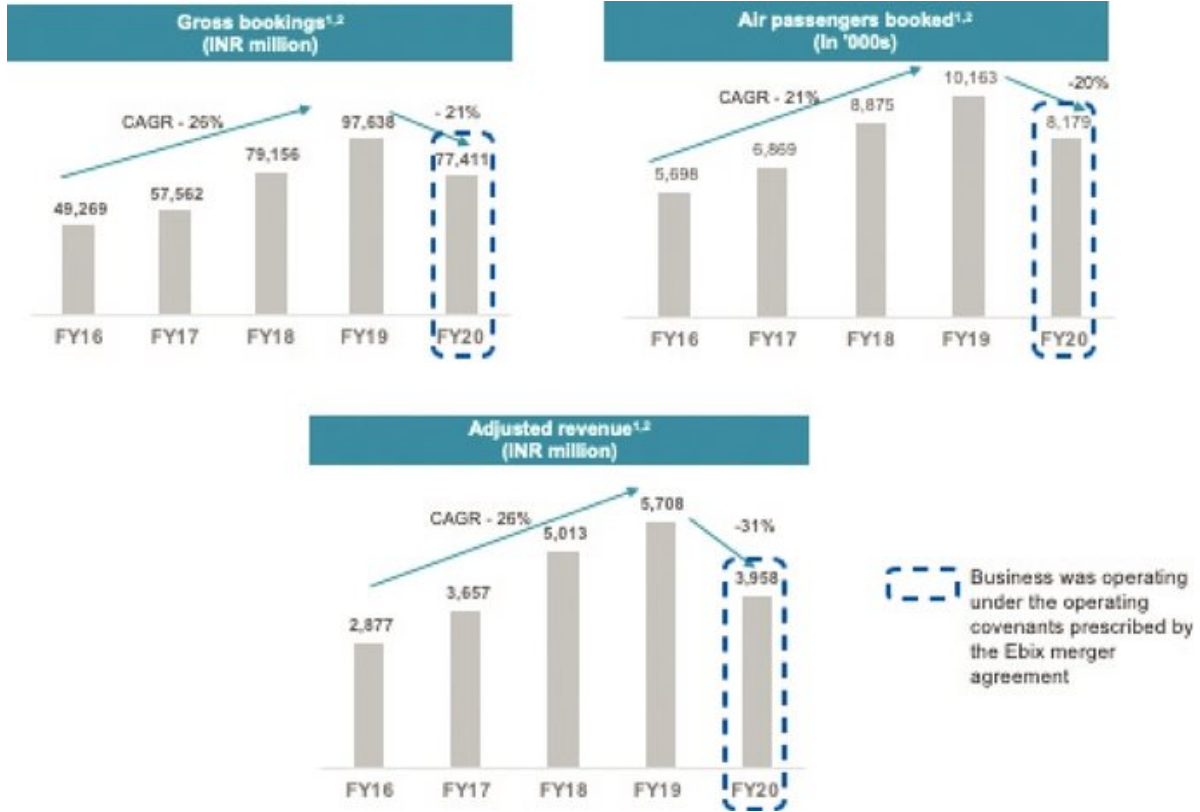
Air Ticketing

We provide our customers with access to seven domestic airlines, including Indigo, SpiceJet, Air India and GoAir, as well as over 400 airlines for international travel, including Air India, Emirates, Etihad and Lufthansa.

Our airline ticketing business provides comprehensive information and options to consumers. Based on the search criteria and filters available, consumers are able to quickly and conveniently evaluate options, make selections and execute transactions. Customers can search and sort by date, airline, class of travel, fare price, origin, destination, and number of stops, and our search results can be enhanced by our customers' recent searches, history and preferences.

We earn commissions and incentives from airlines for tickets booked by customers through our various sales channels. We either deduct commissions at the time of payment of the fare to our airline suppliers or we collect our commissions from our airline suppliers. Incentive payments, which are largely based on volume of business, are collected from our airline suppliers on a periodic basis. We charge our customers a service fee for booking airline tickets and receive fees from our GDS service providers based on the volume of sales completed by us through GDS. Revenue from airline tickets sold as part of packages is eliminated from our Air Ticketing revenues and added to our Hotels and Packages revenue.

During the year ended March 31, 2020, air passengers booked declined by 20% year over year and air gross bookings declined by 21% over the same period.



(1) Data for flagship brand Yatra.com only and excludes data from B2E and B2B2C businesses

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- (2) Please refer to "Management Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics" for definitions and reconciliations of non-IFRS measures.

Hotels and Packages

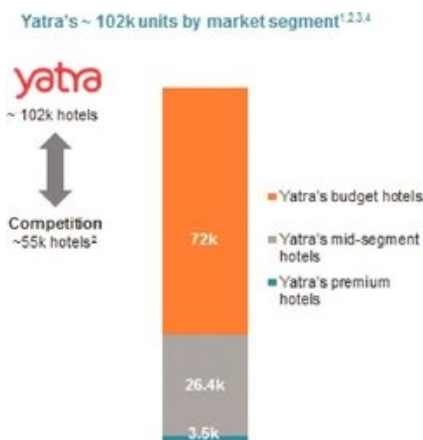
Hotels

With approximately 102,000 hotels (as of June 30, 2020) and homestays contracted in approximately 1,400 cities across India, we are India's largest platform for domestic hotels. In fiscal year 2020, more than 1.2 million standalone hotel room-nights were booked through our platforms. Due largely to our rapid growth in this segment, our Gross Bookings has grown by a CAGR of 12% from fiscal 2016 to fiscal 2019. Contracting with hotels is done by a dedicated team that is responsible for onboarding listed properties as well as negotiating rates and promotions. Hotels can also self-manage their rates, inventories, promotions and margins using our extranet (mobile and web versions). Hoteliers also have an option to access the extranet via a Channel Manager API, an interface that lets hoteliers connect their software application to our extranet.

Revenue from our Hotels and Packages business includes commissions and markups that we earn for the sale of hotel rooms (without packages), which is recorded on a "net" basis. Revenue from packages, including hotel and airline tickets sold as part of packages, is accounted for on a "gross" basis. From fiscal 2019 to fiscal 2020, our Hotels and Holiday Packages' Gross Bookings declined by 41.6% due to de-growth in hotel room-nights and holiday packages sales.

In late 2015, we added homestays through our Yatra and Travelguru brands, which includes a wide variety of accommodation options from homes, cottages, apartments, guest houses, villas, heritage properties, holiday homes, jungle stays, estate houses to farmhouses and more. As of June 30, 2020, we had listed approximately 13,718 properties across the various brands and platforms. In addition, in June 2016, we launched our Travelguru HomeStay App, which allows homeowners to list their property as a homestay and travelers to search, browse and book the properties, all at the "click of a button."

We believe that Yatra has India's largest hotel inventory, especially in the key "budget" category in Tier 2 and Tier 3 cities that matches Indian consumers' preferences.

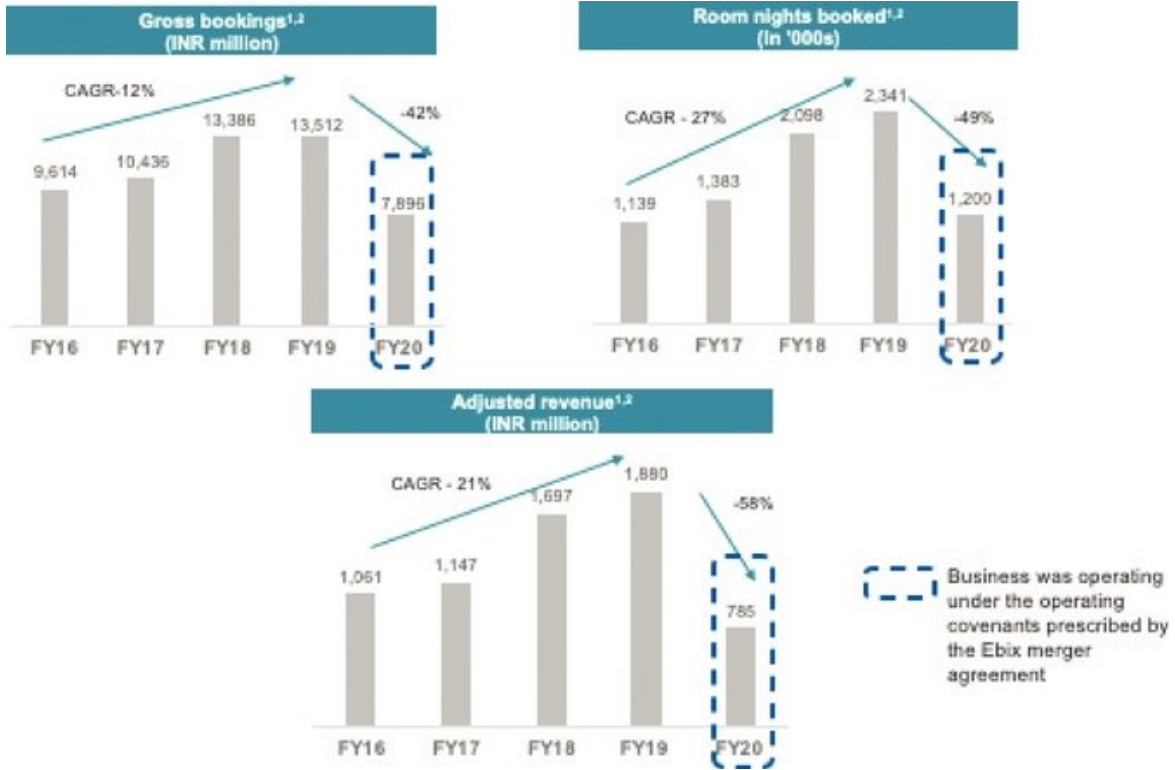


- (1) Management estimates, as of March 31, 2020
- (2) Management estimates from company website, press articles, and filings
- (3) Includes approximately 13,718 homestay accommodations

- (4) Premium hotels include 4 and 5 star accommodations; mid-segment hotels include 3 star accommodations and budget hotels include all other accommodations (including homestay accommodations)

Holiday Packages

Our holiday packages offerings consist of both fixed departure and customized holiday packages. Given our focus on the Indian middle-class consumer, many of whom are not seasoned travelers, our customers typically prefer booking holiday packages where most elements of their travel, including flights, hotels, sightseeing, transport, visa and insurance, are all taken care of. We have expanded our portfolio to include approximately 1,250 holiday packages to destinations within India, Asia, the Middle East and Europe and have established ground handling operations and partnerships in Dubai, Singapore, Thailand and Malaysia. We also opened up our platform to third-party holiday packages sellers who can now sell alongside our own products through our platform, thereby offering our customers a wider choice of products.



- (1) Numbers for fiscal year 2019 include TCIL performance for two months.
- (2) Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics" for definitions and reconciliations of non-IFRS measures.

Other Services

Rail Ticketing

To leverage the convenience of online bookings, we entered the rail travel market in September 2007 with inventory made available by IRCTC. IRCTC is a subsidiary of Indian Railways that handles the catering, tourism and online ticketing operations of Indian Railways.

Bus Ticketing

To leverage the convenience of online bookings, we entered the bus travel market in September 2014. To ensure consistency of supply, we source our tickets from a combination of suppliers.

Cab Booking

Taking a step further in servicing our customers and providing them with one more travel solution, in September 2016, we launched app integration with one of the world's most famous cab-booking companies. This made it possible for our customers to book their local and intracity transport through the Yatra app, even if the main supplier app is not installed on their devices.

In September 2017, we enhanced the travel proposition for our customers by offering a self-drive car rental service. Further, during the current COVID situation, we have entered into agreements with four additional cab operators to maintain our increased focus on cab solutions for corporate customers.

Activities

Launched in July 2016, we currently list more than 180,000 activities inside and outside India. We offer a broad range of activities to our customers at multiple price points, including tours, historical and contemporary sightseeing, luxury experiences, romantic trips, events, shows, food tours, cooking classes and others, each ranging from a few hours to a full day.

New Initiatives

We have recently entered into agreements with several third parties to provide services related to our travel related services or which we believe will be beneficial to our customers. These initiatives are at the very early stages of development and there is no assurance that any of those will be successful or that we will recoup the expenses related to pursuing these initiatives

Our Strengths

We believe the following combination of attributes of our company distinguishes us from our competitors:

Trusted Online Travel Brand

"Yatra," which is the Hindi word for "Journey," is one of India's most well-recognized travel brands. Our brand has received numerous awards and recognitions, including multiple awards from the Government of India's Ministry of Tourism, 'The Best Edutainment Program-K12' Awarded by Indian Education Awards 2019—9th National Awards on Indian Education, The Economic Times Brand Equity's Most Trusted Brand Survey 2016, Travel and Hospitality's Most Outstanding Travel Company, National Tourism Award for "Best Domestic Tour Operator" in Category I (Rest of India) & "Best Inbound Tour Operator" for 2017-18 and the CNBC Awaaz Travel Award. The strength of the brand is reflected in the approximately 212 million visitors to our platform in fiscal year 2020 and that our direct and organic traffic went from approximately 92% to approximately 96% in fiscal year 2019 and

fiscal year 2020, respectively. To further strengthen the brand, we have, from time to time, signed up some of India's leading film personalities as our brand ambassador in the past.

Our Multi-Channel Platform for Business and Leisure Travelers

We have designed a unique "go-to-market" strategy that is a mix of B2C, B2E and B2B2C. This comprehensive approach creates strong network effects resulting in significant cross-sell between business and leisure travelers, which we believe addresses the entire travel market in India. Through organic and inorganic initiatives we believe we have become the largest independent corporate travel services provider and the second largest consumer travel company in India, both leveraging a common technology platform. We believe that our broad and diverse offerings provide us with considerable cross-selling opportunities across business channels and that our eCash program provides further incentive for customer loyalty across the various channels.

Large and Loyal Customer Base

We have served approximately 11.1 million cumulative travel customers as of March 31, 2020, an increase of 1.4 million customers compared to March 31, 2019, with a high number of repeat visitors and repeat transactions. During 2020, repeat transactions accounted for 88% of all of the transactions on yatra.com.

Comprehensive Selection of Service and Product Offerings

Our comprehensive travel-related offerings are customized to the unique needs of Indian and global customers traveling throughout India, and for domestic customers traveling internationally. We believe that we have aggregated the largest travel related inventory in India that includes access to all major domestic and international airlines operating within India and a hotel network that includes approximately 102,000 domestic hotels (as of June 30, 2020) and homestays across 1,400 cities in India. This comprehensive selection of travel-related services makes us a "one-stop shop" for our customers' business and leisure travel needs, thereby providing us with multiple points of contact with travelers allowing us to develop an ongoing repeat relationship with our customers.

Single Technology Platform

We have developed a common technology platform approach that enables a consistent user experience across our entire customer base including B2C, B2E and B2B2C. This approach has enabled us to reduce development costs and accelerate "time-to-market" as new features and services can be launched simultaneously across channels. Our technology also contributes to the conversion of our business travelers to leisure travelers by creating a single and familiar platform as well as enabling loyalty programs such as our eCash program, available across all our channels and offerings. Our technology platform has been designed to deliver a high level of reliability, security, scalability, integration and innovation. We believe that having a single technology platform enables us to innovate and scale our operations effectively across channels.

Seasoned Management Team with Track Record of Success

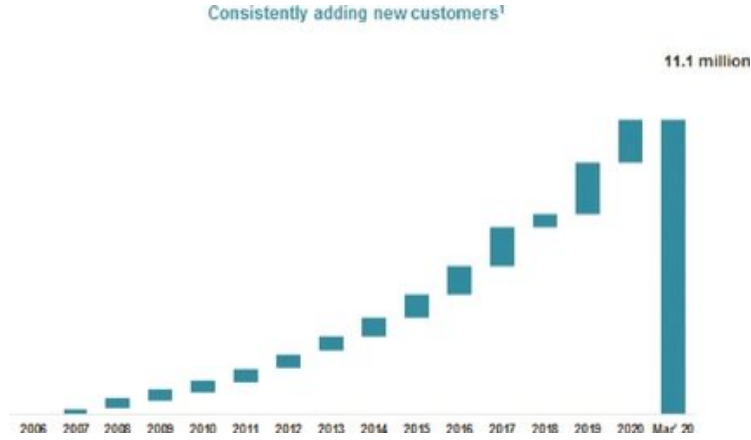
We are a founder-led business and our senior management team is comprised of industry executives with deep roots in the travel industry combining over 70 years of accumulated experience. Our management team previously worked with companies such as Ebookers.com, Tripadvisor.com, Yahoo, Travel Boutique Online and Carlson Wagonlit. We believe that our management's expertise, industry relationships, and experience in identifying, evaluating and executing on new opportunities provide us with opportunities to grow organically and through strategic acquisitions that complement or expand our existing operations.

Our Growth Strategy

The key elements of our long-term growth strategy include:

Cost-Effectively Grow our Customer Base

We intend to grow our customer base by continuing to provide business and leisure travelers a combined, comprehensive and competitive platform that meets all their travel needs. In addition, we plan to continue investing in our brand, expanding our B2E sales team and growing our B2B2C travel agent network. For example, during the first half of fiscal year 2018, we launched a new brand campaign and grew our travel agent network to approximately 26,000 agents in more than 730 cities as of March 31, 2020.



(1) Cumulative as of March 31, 2020; does not include data for B2B2C businesses.

Grow "Share Of Wallet" With Existing Customers—Leverage our Multi-Channel Approach and Our Loyalty Programs

In order to leverage our multi-channel platform we have developed a number of initiatives that help us drive and reward customer loyalty, specifically targeting business travelers who join our platform through our B2E channel and who eventually become B2C customers. For example, our eCash program was launched in 2014 to reward customers for repeat purchases. Customers accumulate such eCash points on travel booked through us, and these points work as a currency that can be redeemed by customers during future bookings. Our eCash program is supported by a strong technology architecture and operates seamlessly with minimal human intervention. Since the eCash program was launched, we believe we have seen a significant impact of this program on our business. We plan to continue focusing on growing our B2C business and using and promoting our eCash program in order to grow our business. Over 5.7 million customers have been registered for our eCash program.

Invest in Technology—"One-Stop Shop" For All Travel Needs

We intend to continue investing in our common technology platform in order to ensure that we can introduce new product offerings in an efficient and timely manner and deliver on our vision of being a 'one-stop-shop' for our customers when it comes to travel and travel related products. Given our focus on sustainable growth, which means that we do not intend to rely on aggressive promotions and discounts to grow our business, innovation is a key driver for our business as it enables us to provide our customers with a differentiated high quality offering. In order to provide customers with selection and choice, we have launched a marketplace platform that enables us to sell our own

inventory as well as the inventory of third-party vendors and we intend to launch similar innovative platform enhancements in the future.

Focus on Tier 2 and Tier 3 Markets

We will continue to invest in branding and services targeting Tier 2 and Tier 3 markets which, we believe, currently have lower online penetration levels for travel. According to the Indian government's most recent census, more than 200 million people (representing 16% of India's population) live in the 488 cities and towns comprising Tier 2 and 3 markets. We expect increased travel within and between Tier 2 and Tier 3 cities to drive growth in air and hotels. According to the Airports Authority of India, the growth rate in the number of air travel passengers year-over-year is higher in secondary airports located in smaller Tier 1 and larger Tier 2 cities and smaller regional airports in Tier 2 cities, at 24% and 20%, respectively, than it is in major metro airports located in the largest Tier 1 cities, at 16%.

Fuel Growth Through Innovative Acquisition Strategies

The acquisition of companies, intellectual property and talented individuals has been central to our growth strategy. In 2010, we acquired TSI and its subsidiaries in order to expand our B2B2C business, particularly our international Air Ticketing for small and medium scale enterprises. In 2012, we acquired Travelguru B2C and B2B2C entities from Travelocity, which remain well-established hotel aggregators in India. Through this acquisition, we expanded our hotel business by establishing more direct hotel relationships in India and improved our inventory of affordable travel options. We have also leveraged our leading position in the Indian travel ecosystem to make several "acqui-hires," including the teams from mGaadi and dudegenie, in order to grow our business. During the second quarter of fiscal year 2018 and fourth quarter of fiscal year 2019, we completed the acquisition of a majority stake in ATB and the corporate division of PL Worldways known as Travel.co.in Limited, or TCIL, which further reinforced our leadership position in the B2E travel segment. We expect to continue to pursue acquisitions that we believe will provide services, technologies or people that complement or expand our current offerings.

Supplier Relationships

We believe that we have built and continue to maintain strong relationships across our portfolio of suppliers for airlines, hotels and holiday packages. We have teams managing our existing airline relationships, hotel relationships, and holiday packages. These teams also work to expand our offerings and network. A selective mix of negotiated rates, payment terms and co-participation promotions has resulted in a compelling consumer portfolio offering with an opportunity to leverage our large customer base and cross-sell effectively.

Airlines

The airline ticketing business is primarily targeted to domestic air passengers and international travel from India. We have access to real-time inventory either via GDS service providers such as Amadeus and Galileo or through a "direct-connect" to the airlines. We have relationships with all major airlines operating in India, domestic and international. The fares paid by our customers include a transaction fee and this, along with the "per-segment" earnings from the GDS providers, the commissions and volume-linked incentives from the airlines, forms the revenue accrued to us. Our relationships include all major full-service carriers and low-cost carriers. These include domestic carriers such as Air Asia, Air India, Air India Express, Go Air, IndiGo, SpiceJet, Vistara, and international airlines such as Air France-KLM, British Airways, Emirates, Etihad Airways, Air India, , Lufthansa, Malaysia Airlines, Singapore Airlines, Thai Airways and Qatar Airways, etc.

Hotels

We have India's largest hotel network of approximately 102,000 hotels (as of June 30, 2020) and in fiscal year 2020, more than 1.2 million hotel room-nights were booked through our platforms. We have a team responsible for supply side contracting, onboarding listed properties, and demand generation. We also have an extranet portal that hoteliers use to access and manage their inventory, rates and promotions. Hoteliers also have an option to access the extranet via a Channel Manager API, an interface that lets hoteliers connect their software application to our extranet.

Customer Service

We are dedicated to ensuring a superior user experience on our platform and a critical component of that is customer service. We provide customer support in all stages of our customers' trips—before, during and after. Our "chat" system is an important means of communication between buyers and sellers, buyers and our customer service and sellers and our seller support. We monitor feedback from our customers using an in-house CRM system that helps to provide simple, tailor-made tools to provide rapid and effective support. We have over 600 employees in customer service, including supervisors, sales representatives, quality assurance and process control teams. There is a four week induction and training program for our employees, which is managed by our in-house training team.

Central to the customer experience, our customer contact centers are closely aligned to the business and are equipped to meet all customer needs. These centers are open seven days per week with emergency numbers that are available for any customers who might need assistance during non-business hours. This enables us to provide a seamless customer experience across all channels. To improve flexibility and cost efficiency, we also utilize third-party customer service providers. In most of the cases, our staff is stationed in third-party customer contact centers to ensure that the customer experience is maintained to our unified corporate standards.

Technology

Our common technology platform has been designed to deliver a high level of reliability, security, scalability, integration and innovation. We utilize a single data center with an active backup in another data center and also utilize cloud services with an ability to restore all site operations within 48 hours in case of a complete shut-down. This infrastructure is certified to support a traffic spike of 4.5 times across the flights, hotels, holidays, bus and rail platforms.

The technology stack includes Java, MySQL, MongoDB, Redis, Memcache, jQuery with a 3-tier service-oriented architecture for horizontal scale, performance and flexibility. We leverage and contribute to open source technologies, leading to faster innovation, development and cost-efficiencies.

We use an integration layer for high-scale, fault tolerance and configurability with connectivity to multiple GDS and hosting systems for low cost carriers. This provides auto switching capabilities and redundancy between suppliers so that we may provide the same airline inventory even if a supplier is experiencing connectivity or performance issues.

We have also developed a common user interface platform that ensures a single common user view across B2C, B2E and B2B2C channels and a single customer/client interface on both the web and mobile interfaces so that users have a consistent experience irrespective of the channel via which they come to us.

In order to ensure smooth integration of our inventory, we have launched a marketplace platform that enables us to sell our own inventory and the inventory of third-party vendors to provide travelers a wider selection of products and services on a single platform. This platform presents a set of reusable services that allow third-party suppliers or travel services to manage and sell those services on yatra.com directly to consumers. This platform includes vendor management, seller-buyer-user communication service, provision of content, inventory and pricing management and product life cycle management services.

Security

We accept all major credit, debit cards and other payment instruments, including mobile wallets. PaySwift is a homegrown payment engine to ensure payments are safe and secure. We are PCI-DSS 3.2 compliant with VeriSign secure certification. We follow a two-factor authentication mechanism with the security features of the applicable card. Our critical data security practices include credit card data protection in a separate VLAN accessible only through authenticated APIs and are in an encrypted storage with the key broken into two different systems. We also use a risk engine, which is a third-party service, to validate and fraud check international credit cards.

Our 24x7 monitoring and alerting security infrastructure is provided by an outsourced company from multiple locations. Continuous scanning, penetration testing and threat elimination, including ransomware protection, is undertaken by third-party security experts assisted by in-house security consultants. A distributed denial of service (DDoS) protection service has been instituted, which works at the perimeter level with protection up to one GBPS, to provide comprehensive solutions for all application (layer 7) and network (layer 3) DDoS attacks. Web application firewalls have also been placed for network and application security apart from a network firewall.

Competition

The Indian travel industry is highly competitive. Our success depends upon our ability to compete effectively against numerous established and emerging competitors, including other online travel agencies, or OTAs, traditional offline travel companies, travel research companies, payment wallets, search engines and meta search companies, both in India and abroad, such as Agoda Company Pte. Ltd., Akbar Travels, Amazon India, Booking.com B.V., Cleartrip Pvt. Ltd., Carlson Wagonlit Travel, Expedia Southeast Asia Pte. Ltd., Easy Trip Planners Ltd, Flipkart Pvt. Ltd., Le Travenues Technology Pvt. Ltd. India, MakeMyTrip (India) Pvt. Ltd. (including Ibibo Group), One97 Communications Limited, Oravel Stays Pvt. Ltd., Riya Travel and Tours (India) Private Limited and in each case including their affiliated and group entities. Our competitors may have significantly greater financial, marketing, personnel and other resources than we have. Factors affecting our competitive success include price, availability of travel products, ability to package travel products across multiple suppliers, brand recognition, customer service and customer care, fees charged to customers, ease of use, accessibility, reliability and innovation. If we are not able to compete effectively against our competitors, our business and results of operations may be adversely affected.

Large, established Internet search engines with a global presence and meta search companies who can aggregate travel search results compete against us for customers. Certain of our competitors have launched brand marketing campaigns to increase their visibility with customers. Some of our competitors have significantly greater financial, marketing, personnel and other resources than we do and certain of our competitors have a longer history of established businesses and reputations in the Indian travel market as compared with us. Some meta search sites, including TripAdvisor, Trivago and Kayak, offer the users an ability to make reservations directly on their websites, which may reduce the amount of traffic and transactions available to us through referrals from these sites. If additional meta search sites begin to offer the ability to make reservations directly, that will further affect our ability to generate traffic to our sites. From time to time, we may be required to reduce service fees and Net Revenue Margins in order to compete effectively and maintain or gain market share.

We may also face increased competition from new entrants in our industry. The travel industry is extremely dynamic and new channels of distribution in the travel industry may negatively affect our market share. Additional sources of competition include large companies that offer online travel services as one part of their business model, such as Alibaba Group Holding Ltd, as well as "daily deal" websites, such as Groupon, Inc.'s Getaways, or peer to peer inventory sources, such as Airbnb Inc., HomeAway.com, Inc. and Oravel Stays Pvt. Ltd., which provide home and apartment

rentals as an alternative to hotel rooms. The growth of peer to peer inventory sources could affect the demand for our services in facilitating reservations at hotels. We cannot assure you that we will be able to successfully compete against existing or new competitors in our existing lines of business as well as new lines of business into which we may venture. If we are not able to compete effectively, our business and results of operations may be adversely affected.

In addition, many airlines, hotels, car rental companies and tour operators have call centers and have established their own travel distribution websites and mobile applications. Suppliers may offer advantages for customers to book directly, such as member only fares, bonus miles or loyalty points, which could make their offerings more attractive to customers. Some low cost airlines distribute their online supply exclusively through their own websites and other airlines have stopped providing inventory to certain online channels and attempt to drive customers to book directly on their websites by eliminating or limiting sales of certain airline tickets through third-party distributors. Additionally, airline suppliers are increasingly promoting hotel supply on their websites in connection with airline tickets. If we are unable to compete effectively with travel supplier related channels or other competitors, our business and results of operations may be adversely affected.

We also face increasing competition from search engines like Google, Bing and Yahoo!. Search engines have grown in popularity and may offer comprehensive travel planning or shopping capabilities, which may drive more traffic directly to the websites of our suppliers or competitors. Google has increased its focus on appealing to travel customers through its launches of Google Places, Google Flights and Google Hotel Price Ads. Google's efforts around these products, as well as possible future developments, may change or undermine our ability to obtain prominent placement in paid or unpaid search results at a reasonable cost or at all.

There can be no assurance that we will be able to compete successfully against any current and future competitors or on emerging platforms, or provide differentiated products and services to our customer base. Increasing competition from current and emerging competitors, the introduction of new technologies and the continued expansion of existing technologies, such as meta search and other search engine technologies, may force us to make changes to our business models, which could affect our financial condition and results of operations. Increased competition has resulted in and may continue to result in reduced margins, as well as loss of customers, transactions and brand recognition.

Intellectual Property

Our intellectual property rights include trademarks and domain names associated with the name "Yatra," and "Travelguru" primarily, as well as copyrights and rights arising from confidentiality agreements relating to our website content and technology. We regard our intellectual property as a factor contributing to our success. We rely on trademark law, trade secret protection, non-competition and confidentiality agreements with our employees and some of our partners and vendors to protect our intellectual property rights. We require our employees to enter into agreements to keep confidential all information relating to our customers, methods, business and trade secrets during and after their employment with us. Our employees are required to acknowledge and recognize that all inventions, trade secrets, works of authorship, developments and other processes made by them during their employment are our property.

Yatra India and its subsidiaries have registered the primary domain names, namely *www.yatra.com*, *www.yatra.in*, *www.tsi-yatra.com* and *www.travelguru.com*, and have full legal rights over these domain names for the period for which such domain names are registered. We conduct our business primarily under the "Yatra" brand name and logo and have registered the trademarks under a couple of classes mainly in India. We have inter alia applied for trademark registration of the logos, and word marks for *yatra.com* in India and such applications are currently pending with the Registry of Trademarks. We have filed responses to objections raised by the Registry of Trademarks to certain of these applications. We have also filed oppositions with the Registry of Trademarks against certain trademarks in pursuance of the protection of our trademarks.

Employees

As of March 31, 2020, we had 2,000 employees. The following tables show a breakdown of our employees as of March 31 for the past three years by category of activity and geographic location.

<u>Division/Function</u>	<u>Number of Employees as of March 31,</u>		
	<u>2018</u>	<u>2019*</u>	<u>2020*</u>
Executive Management	7	3**	2
Product development	141	116	68
Sales and marketing	844	377	292
Technology development and technology support	385	283	149
Others (including operations, business development, administration, finance and accounting, legal and human resources)	2,014	1,735	1,489
Total	<u>3,391</u>	<u>2,514</u>	<u>2,000</u>

* Includes employee count of TCIL

** Decrease is due to redesignation of Messrs. Dhall, Verma, Poddar and Sodhi as non-Executive Officers and due to resignation of Mr. Verma.

<u>Location</u>	<u>Number of Employees as of March 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
India	3372	2,498	1,987
United States	1	1	1
Singapore	18	15	12
Total	<u>3,391</u>	<u>2,514</u>	<u>2,000</u>

None of our employees are represented by a labor union. We believe that our relations with our employees are good. As of March 31, 2020, we employed 137 temporary and contractual employees.

As a result of the COVID-19 pandemic, we have implemented salary reductions and freezes, leaves without pay and work from home policies for our employees following which in early July 2020, the Company has rationalized the headcount and there is a reduction in employees count by 917 employees in the following categories:

<u>Division/Function</u>	<u>Number of Employees</u>
Product development	30
Sales and marketing	118
Technology development and technology support	24
Others (including operations, business development, administration, finance and accounting, legal and human resources)	745
Total	<u>917</u>

Insurance

We maintain and annually renew insurance for losses (but not business interruption) arising from fire, burglary as well as terrorist activities for our corporate office at Gurgaon, India, as well as for our various offices in India. In addition, we have insurance policies of approximately US\$ 15 million to

insure our directors and officers from various liabilities arising out of the general performance of their duties. We have also purchased key man insurance, professional indemnity insurance, public liability insurance, fidelity insurance and work injury compensation insurance for Yatra India.

In addition to the above, we have taken standard medical policies for all the companies in the Group and group term insurance policies and group personal accident policies in Yatra India and some of its subsidiaries and affiliates (besides a cash insurance policy in one of our subsidiaries).

Regulations

We are subject to various laws and regulations in India arising from our operations in India, including travel agent requirements and the operation of our website, call centers and other offices.

Yatra India has obtained registration from Ministry of Tourism to act as Domestic Tour Operator and Inbound Tour Operator which are valid until May 7, 2024 and May 7, 2024, respectively. Yatra India is also accredited with the International Air Transport Registration which is valid for 2021.

Under the Indian Information Technology Act, 2000, as amended, we are subject to certain liabilities pertaining to the implementation and maintenance of reasonable security practices and procedures with respect to sensitive personal data or information that we possess, deal with or handle in our computer systems, networks, databases and software. India has also implemented privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use and disclosure of personal information.

We have obtained approvals to operate our domestic and international call centers in India as "Other Service Providers" (OSP) from the Department of Telecommunications, Ministry of Communications and Information Technology, Government of India. Our approval in respect of Domestic OSP and International OSP is valid for 20 years from October 18, 2013 and September 26, 2012, respectively.

We also obtain and maintain registrations under the Shops and Establishments Act and Rules of each state where our offices are located.

Our operations in India currently do not benefit from tax holidays under any applicable laws or regulations.

The consolidated foreign direct investment policy, or FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the Foreign Exchange Management Act, 1999, as amended, and the regulations framed thereunder, or FEMA, have certain requirements with respect to downstream investments by Indian companies that are owned or controlled by foreign entities and with respect to the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners. These requirements currently include restrictions on pricing, valuation of shares and sources of funding for such investments, which may, in certain cases, require prior notice to or approval of the Government of India. India's Foreign Exchange Management Act, 1999, as amended, and the rules and regulations promulgated thereunder, restrict us from lending to or borrowing from our Indian subsidiaries. Further the Government of India has from time to time made and may continue to make revisions to the FDI policy on e-commerce in India (including in relation to business model and permitted services). Such changes may require us to make changes to our business in order to comply with Indian law.

The Companies Act contains significant changes to Indian company law, including in relation to the issuance of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries and corporate social

responsibility spending. While the majority of the provisions of the Companies Act are currently effective, certain provisions of the Companies Act, 1956 remain in effect.

Litigation

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business and the results of litigation and claims cannot be predicted with certainty.

Except for the tax proceedings described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which we are aware) that we believe could reasonably be expected to have a material adverse effect on our results of operations or financial position.

Tax Matters Relating to Yatra Online Private Limited

Assessment Year 2008-09

In December 2010, we received a demand notice from the Indian income tax authorities for the assessment year 2008-09, disallowing a deduction of INR 18.9 million. In January 2011, we filed an appeal with the Commissioner of Income Tax (Appeals). The appeal was decided in our favor in March 2012 and we received partial relief except for some disallowance amounting to INR 1.6 million. The Revenue has filed an appeal against the order of the Commissioner of Income Tax (Appeals) with the Income Tax Tribunal. Further, in March 2014, we received a demand notice for payment of tax on disallowed expenses of INR 1.6 million. The tax amount was paid in April 2014. In March 2016, the Income Tax Tribunal remanded the matter to the file of the assessing officer who will decide these issues afresh and give us an opportunity to present the case before him. The matter has not yet been scheduled for hearing by the assessing officer.

Assessment Year 2012-13

In April 2016, we received a demand notice from the Indian income tax authorities for the assessment year 2012-13, disallowing a deduction of INR 8.2 million for expenditure relatable to exempt income and security deposit written off. We filed an appeal before the Commissioner of Income Tax (Appeals) in July 2016. Subsequently, we were issued a notice of demand for INR 0.5 million as a tax penalty against which we filed an appeal before the Commissioner of Income Tax (Appeals) in November 2016. The matter was scheduled for hearing on 19th January 2018. Hearing for penalty matter adjourned sine die. Fresh notice will be issued after hearing of quantum appeal. We have not heard back from department thereafter.

Assessment Year 2013-14

In November 2014, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2013-14. A scrutiny assessment refers to the examination of a return of income by giving an opportunity to the tax payer to substantiate the income declared and the expenses, deductions, losses, exemptions, etc., claimed in the return with the help of evidence. We have submitted the required information to the concerned authorities. Assessment orders dated December 22, 2016 were issued, disallowing a deduction of INR 11.8 million and determining the sum of INR Nil payable by us. We filed an appeal before the Commissioner of Income Tax (Appeals) in January 2017. Final orders were passed in August 2018 partly allowing the appeal. The company accepted the order & matter is closed.

Assessment Year 2014-15

1. In March 2016, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2014-15. We have submitted the required information to the concerned authorities. Assessment orders were subsequently issued on December 29, 2017, disallowing a deduction of INR 0.02 million. We have filed an appeal before the Commissioner of Income Tax (Appeals) in January 2018. The matter is not yet scheduled.
2. In December 2016, we were issued a notice towards Transfer Pricing proceedings under Section 92CA of the Income Tax Act requisitioning certain information. The Company submitted all the required information with the department, after which Transfer pricing orders under Section 92CA(1) of the Income Tax Act were issued in October 2017, accepting arm's length pricing of the transactions. The assessment is closed.

Assessment Year 2015-16

In January 2017, we were issued a notice by the Indian income tax authorities for an inquiry before assessment for the assessment year 2015-16 where in the Company was required to provide certain documents in connection with the assessment. The required documents were filed with the income tax authorities by the company in March 2017.

In June 2018, we were issued a notice towards Transfer Pricing proceedings under Section 92CA of the Income Tax Act requisitioning certain information. The Company had submitted all the required information with the department.

In February 2019, we were issued assessment orders making an addition of INR 92.4 million relating to arm's length pricing of domestic transaction with associate enterprises. We have filed an appeal before the Commissioner of Income Tax (Appeals) in March 2019. The matter is not yet scheduled.

Assessment Year 2016-17

In July 2017, we were issued a notice by the Indian income tax authorities for complete scrutiny and we were requested to furnish information electronically on or before July 24, 2017. The required information has been submitted with the department. We did not hear back from the department thereafter.

In December 2018, we received assessment orders making an addition of Inr 0.03 million towards TDS applicability on expense. We have accepted the orders and assessment is closed.

Assessment Year 2017-18

In August 2018, we were issued a notice by the Indian income tax authorities for complete scrutiny and we were requested to furnish information electronically on or before August 22, 2018. We filed the required documents with the income tax authorities in March 2017. Tax assessment intimation under section 143(1) of Income Tax Act, 1961 was issued in March 2019 without any addition. The tax scrutiny is not completed.

Assessment Year 2018-19

In March 2020, Tax assessment intimation under section 143(1) of Income Tax Act, 1961 was issued without any addition. The tax scrutiny is not completed.

Service Tax Show Cause and Demand Notice—Fiscal Years 2007-17

In June 2012, pursuant to an audit conducted by the service tax authorities, we received a notice from the service tax authorities for fiscal years 2007-11 in respect of certain matters which relate to the travel industry and involve a complex interpretation of Indian laws. We received similar notices for fiscal years 2011-12, 2012-13, 2013-14 and 2014-15 in December 2012, May 2014, April 2015 and April 2016, respectively. In November 2012, we filed a reply with the Commissioner of Service Tax for fiscal years 2007-11 and similarly filed an objection in April 2013 for fiscal year 2012, in February 2015 for fiscal year 2013, in May 2015 for fiscal year 2014 and in May 2016 for fiscal year 2015. We attended a personal hearing before the Commissioner of Central Excise in November 2015 for fiscal years 2007-13 and in September 2015 for fiscal year 2014. The aggregate value of the demand in these show cause notices is approximately INR 1,000 million, excluding interest and penalties if finally determined to be payable. We attended the personal hearing before the Principal Commissioner, Gurugram on November 29, 2017 in respect of show cause notices mentioned above. Further to such proceedings, the demand of service tax of INR 983.2 million has been raised by the Commissioner of Service Tax along with a penalty of INR 381.8 million and interest at an appropriate rate in Feb'2018 and received by us on March 9, 2018. An appeal was filed before the **Customs, Excise and Service Tax Appellate Tribunal** (CESTAT) in June 2018. The matter has not yet been scheduled for hearing.

We received similar notice for the period April 2015-June 2017. The aggregate value of the show cause notice is approximately INR 148.1 million (excluding interest and penalties). Our reply to the show cause notice was filed on June 29, 2018 before the Commissioner of GST, Gurugram. The Commissioner of GST, Gurugram passed an adverse order dated October 31, 2018, received by us on December 19, 2018 confirming a demand of Inr 129.4 million along with a penalty of INR 12.9 million and interest at an appropriate rate. An appeal was filed before CESTAT in February 2019. The matter has not yet been scheduled for hearing.

Service Tax Show Cause and Demand Notice—Fiscal Years 2010-17

In October 2015, pursuant to an industry wide inquiry on compliance with service tax rules and regulations by various travel agencies in India initiated by the Mumbai Zonal Unit of Directorate General of Excise Intelligence and Customs, an excise and customs tax regulatory authority in India, we received a notice from the tax authorities for fiscal years 2010 to 2015, demanding payment of service tax in respect of certain matters, some of which relate to the travel industry in India and involve a complex interpretation of Indian law. In March 2016, we filed a reply with the Commissioner of Service Tax for fiscal years 2010-15. The aggregate value of demand for the show cause notice above is approximately INR 240.7 million (excluding interest and penalties if finally determined to be payable). Further to such proceedings, the demand of service tax of INR 240.7 million has been raised by the Commissioner of Service Tax along with a penalty of INR 240.7 million and interest at an appropriate rate in December 2016. An appeal has been filed before CESTAT in March 2017. An early hearing application was allowed by CESTAT on May 20, 2019 on request of department, listing the matter for final disposal. The matter scheduled for hearing on August 9, 2019 was adjourned. The CESTAT Chandigarh bench was to sit in January 2020, however case list is not yet out in public domain.

In March 2018, we received notice from Commissioner for the period April 2015-June 2017 relating to same matter. The aggregate value of show cause notice is approximately INR 437.6 million (excluding interest and penalties). We have filed reply in May 2018. The Commissioner of GST, Gurugram passed an adverse order dated November 29, 2018, received by us on December 08, 2018 confirming a demand of Inr 381.6 million along with a penalty of INR 38.2 million and interest at an appropriate rate. An appeal has been filed before CESTAT in March 2019. The matter scheduled for hearing on August 9, 2019 was adjourned. The CESTAT Chandigarh bench will work during October 21, 2019 to October 25, 2019, however case list is not yet out in public domain.

Investigation by Directorate General of Central Excise Intelligence

An investigation has been initiated by the Directorate General of Central Excise Intelligence, or DGCEI, for the period from October 2010 to September 2015 for service tax relating to hotel reservations. The matters are industry wide and involve a complex interpretation of law. We have made a pre-deposit of INR 25 million under protest but we have not received any show cause notice in this respect. A notice for further information on the subject was received and our reply was filed in January 2016. The investigation is ongoing. We believe that we have strong grounds to defend our position on these matters.

Service Tax Intimation for audit of Fiscal Years 2012-13-2016-17

In September 2017, we received an intimation issued from the Office of the Commissioner of GST Audit Gurugram for conducting service tax audit from Fiscal Years 2012-13 to 2016-17. The required information is submitted to the concerned authorities.

Tax Matters Relating to Yatra TG Stays Private Limited (formerly known as D. V. Travels Guru Pvt. Ltd)

Assessment Year 2014-15

In April 2016, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2014-15. We have submitted the required information to the concerned authorities. Assessment order dated December 26, 2016 was issued determining the sum of INR 1.6 million refundable to us. This also contained disallowance of deduction of INR 4.5 million in respect of which show cause notice was served as to why penalty for furnishing of inaccurate particulars of income should not be levied. A notice dated June 8, 2017 for penalty proceedings u/s 271(1) (c) was issued. We appeared before Dy. Commissioner of Income tax on June 19, 2017 and submitted clarification in this regard. Rectification order u/s 154 of the Income Tax Act, 1961 was passed on June 23, 2017 adding a disallowance of INR 4.5 million and also penalty proceedings were dropped. We accepted the disallowances and the assessment closed.

Assessment Year 2015-16

In April 2016, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2015-16. We have submitted the required information to the concerned authorities. Assessment closed with Nil assessment orders dated December 20, 2017.

Assessment Year 2016-17

In July 2017, we were issued a notice by the Indian income tax authorities for complete scrutiny and furnish information electronically on or before July 27, 2017. The required information is submitted with the department and we have not received any further information thereafter. The assessment was closed with Nil assessment orders dated December 21, 2018.

Assessment Year 2017-18

In September 2019, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2017-18. Assessment order u/s 143(3) was passed by the department on December 25, 2019 in which advertisement sales promotion expenses and employees contribution to ESIC was disallowed amounting to Inr 20 million. Further we filed an appeal before the Commissioner of Income Tax (Appeals) u/s 246A against the said order on 22nd January 2020.

Service Tax Show Cause and Demand Notice—November 2005 to October 2006

In April 2011, we received a notice from the service tax authorities on the basis of investigation carried out by the DGCEI for the period November 2005 to October 2006 in respect of admissibility of input credit. In November 2012, we filed a reply with the Commissioner of Service Tax. The value of demand for the show cause notice above is approximately INR 3.7 million (excluding interest and penalties if finally determined to be payable). A personal hearing on the matter was held on July 27, 2016 and we reiterated the submissions in the ground of appeal and also made additional written submissions. In August 2016, we received orders wherein the demand was confirmed by the Commissioner (Appeals). We have filed an appeal against the order with the **Customs, Excise and Service Tax Appellate Tribunal (CESTAT)** in November 2016. The matter was listed before CESTAT, Mumbai on June 29, 2017. Tribunal after hearing the submissions of the parties was pleased to allow the Appeal by way of remand to adjudicating authority. The Bench has directed the Authority to duly verify the receipt of services by the Appellant and allow credit on services, if found to have been received by the Company. The Adjudicating Authority is directed to complete the process of verification by December 31, 2017 and pass appropriate order. We by letter dated November 17, 2017, have asked Asst. Commissioner for any information/details are required and extended our support to complete verification process in response of which we have received the letter from department dated December 22, 2017 that Asst Commissioner has no jurisdiction to adjudicate the said Order and hence has requested to approach the adjudicating authority as per Para 5 of circular 1049/37/2016-CX under F.No.267/40/2016-CX by virtue of which any cases remanded back for novo jurisdiction shall be decided by the authority of the rank which passed the remanded order. On January 16, 2018 we filed 1 letter with the Additional Commissioner CGST requesting to complete the inquiry.

We received the communication from Superintendent CGST on December 24, 2018 fixing personal hearing on January 8, 2019 with Joint Commissioner CGST. The hearing was attended and the officer has asked for a list of vendors with vendor addresses so that officer could send the verification letters. We submitted the information on January 15, 2019. We have not received any further communication from the Joint Commissioner's office.

Service Tax Show Cause and Demand Notice—Fiscal Years 2007-11

In August 2011, pursuant to an audit conducted by the service tax authorities, we received a notice from the service tax authorities for fiscal years 2007-11 in respect of certain matters which relate to the travel industry and involve a complex interpretation of Indian law. In April 2012, we filed a reply with the Commissioner of Service Tax for fiscal years 2007-11 and an additional submission was made in July 2014. Further to such proceedings, the demand of service tax of INR 237.6 million has been raised by the Commissioner of Service Tax along with a penalty of INR 237.6 million and interest at an appropriate rate. We have filed an appeal against the order with the **Customs, Excise and Service Tax Appellate Tribunal (CESTAT)** in January 2017.

Service Tax Intimation for audit Fiscal Years 2012-13-2016-17

In August 2017, we received an intimation issued by the Office of the Additional Commissioner of GST Audit Mumbai for conducting service tax audit from Fiscal Years 2012-13 to 2016-17. We have submitted the required information to the concerned authorities. In January 2018, the Audit officer requested for more information. The relevant information was submitted to the concerned authorities. The audit report is awaited.

Tax Matters Relating to Yatra Hotel Solutions Private Limited (formerly known as Desiya Online Travel Distribution Pvt. Ltd.)

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Assessment Year 2015-16

In January 2018, we received a demand notice order of INR 1.4 million from the Indian income tax authorities for the assessment year 2015-16, disallowing a deduction of INR 3.4 million for expenditure. An appeal has been filed against the order in January 2018 and a pre-deposit of INR 0.3 million is made. We have not heard back since then.

Service Tax Show Cause and Demand Notice—October 2012 to October 2013

We have filed a refund claim application with the service tax authorities in January 2014, seeking a refund of an amount of INR 8.5 million. In March 2014, we received notice from the service tax department for rejection of refund claim for service tax. In July 2014, we filed a reply with the Assistant Commissioner of Service Tax. In February 2015, the Office of the Assistant Commissioner of Service Tax asked for submission of self-certified copies of audited balance sheet and returns. In March 2015, the Office of the Assistant Commissioner of Service Tax sought certain clarification in this regard. We made our submission in February 2016. We submitted follow up letter with department on June 18, 2018. The matter is currently pending with the department. We received communication on December 3, 2018 from Asst Commissioner of Central tax Kolkata, directing the Deputy/Asst Commissioner of Central Tax Mumbai to verify the interest paid on advances. We met the officer on January 8, 2019 to understand the requirements and made our submissions on January 28, 2019. We have submitted follow up letter with Kolkata authorities on September 30, 2019. We have further received communication from Kolkata authorities seeking certain details on October 30, 2019, same has been responded and submitted by us on 19th November 2019.

Tax Matters Relating to TSI Yatra Private Limited

Assessment Year 2008-09

In July 2018, we received a TDS demand notice over email from the Indian income tax authorities of INR 1.6 million related to erstwhile subsidiary of TSI Yatra Private limited named TSI North East Private Limited. The demand is in respect of PAN error in return filed. We are in process of revising the return with correct PAN details. We deposited INR 0.6 million and are in process of rectifying the error by updating the TDS return.

Assessment Year 2013-14

In February 2016, we received a demand notice order from the Indian income tax authorities for the assessment year 2013-14, disallowing a deduction of INR 8.15 million for expenditure relatable to exempt income. This has been accepted by us and the assessment has accordingly been closed. Income tax authorities subsequently have imposed a penalty of INR 1.89 million. We filed an appeal with the Commissioner of Income Tax (Appeals) in November 2016. We received adverse order from CIT(A) in December 2018 and filed appeal with ITAT on January 21, 2019. The matter is not yet scheduled for hearing.

Assessment Year 2014-15

In July 2016, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2014-15. We have submitted the required information to the concerned authorities.

In January 2017, we were issued a notice towards Transfer Pricing proceedings under Section 92CA of the Income Tax Act requisitioning information. The Company had submitted all the required information is submitted with the concerned authorities post which Transfer pricing orders under Section 92CA (1) of the Income Tax Act were issued in October 2017 accepting the arm's length pricing of transactions.

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In January 2018, we have received an assessment order from Indian tax authorities for assessment year 2014-15, and a demand for additional tax payments of approximately INR 95.34 million, advising us of an upward revision of our declared income for that assessment year as a result of consideration received by us towards allotment of shares higher than fair market value. We filed an appeal with the Commissioner of Income Tax (Appeals) in February 2018. Pre deposit of INR 13.89 million was made in March 2018. In addition, INR 3.9 million was adjusted by Income tax department for previous period refunds. We received an adverse order from CIT(A) on January 15, 2019 and an appeal was filed with ITAT. As directed by ITAT, deposit of INR 5.0 million was made in March 2019 and balance outstanding demand was stayed for a period of six months. The hearing was adjourned thrice. The matter was heard on August 29, 2019. The final orders from ITAT is awaited. We also received letter from Central Processing Centre of Income Tax Department dated May 17, 2019 and July 11, 2019 adjusting our refund INR 14.3 million for assessment year 2017-18 with outstanding demand. We further received letter from Central Processing Centre of Income Tax Department dated May 9, 2020 adjusting our refund INR 25.03 million for assessment year 2019-20 with outstanding demand. On May 29, 2020 we filed an appeal for extension of stay order with ITAT and also filed application with Central Processing Centre of Income Tax Department for not adjusting the refunds during the period of stay.

We do not recognize these claims as a contingent liability as we believe the likelihood of the claims being upheld by the relevant authorities to be remote.

Assessment Year 2015-16

In April 2017, we were issued a notice by the Indian income tax authorities for scrutiny of assessment year 2015-16. We have submitted the required information to the concerned authorities. In June 2017, we were issued a notice in connection with the assessment of the Assessment Year 2015-16 requiring to produce certain documents / information on July 12, 2017. We have submitted the required information to the concerned authorities.

In December 2017, we have received an assessment order from Indian tax authorities for assessment year 2015-16, without any demand for additional tax payments. Assessment is closed.

Assessment Year 2016-17

In September 2017, we were issued a notice by the Indian income tax authorities on tax deduction on source and its payment for the assessment year 2016-17 for submission of details by September 27, 2017. The required details are submitted.

In October 2017, we received a notice order from the Indian income tax authorities for the assessment year 2016-17, imposing penalty INR 0.76 million for non-deduction of withholding tax. The matter was fixed for hearing on October 24, 2017 wherein we were asked to submit further details. The details have been subsequently submitted and we have not heard back from department thereafter.

Service Tax Show Cause and Demand Notice—Fiscal Years 2007-12

In October 2013, pursuant to an audit conducted by the service tax authorities, we received a notice from the service tax authorities for fiscal years 2007-12 in respect of certain matters which relate to the travel industry and involve a complex interpretation of Indian law. In March 2014, we filed a reply with the Commissioner of Service Tax. Further to such proceedings, the demand of service tax of INR 19.94 million has been raised by the Commissioner of Service Tax along with a penalty of INR 19.94 million and interest at an appropriate interest rate. In December 2016, we filed an appeal against the order with **Customs, Excise and Service Tax Appellate Tribunal (CESTAT)** along with a payment of 7.5% of the duty demanded. The matter is not scheduled for hearing.

Service Tax Show Cause and Demand Notice—Fiscal Years 2010-14

In October 2015, we received a notice from the service tax authorities for fiscal years 2010-14 in respect of certain matters which relate to the travel industry and involve a complex interpretation of Indian law. In March 2016, we filed a reply with the Commissioner of Service Tax. We attended a personal hearing before the Commissioner of Central Excise. The aggregate value of demand for the show cause notice above is approximately INR 231.6 million (excluding interest and penalties if finally determined to be payable). A personal hearing in this matter was attended before Additional Director General on January 13, 2017. Additional submission was submitted with adjudicating authority on January 27, 2017. Further to such proceedings, demand of service tax of INR 231.6 million has been raised by the Directorate General of GST Intelligence along with interest at an appropriate rate. In November 2017, we have filed an appeal against the order with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) along with a payment of 7.5% of the duty demanded as pre-deposit under the service tax law. An early hearing application was allowed by CESTAT on May 20, 2019 on request of department, listing the matter for final disposal. The matter scheduled for hearing on August 9, 2019 was adjourned. The CESTAT Chandigarh bench was schedule to sit in January 2020, however case list is not yet out in public domain. We have not heard back on hearing from CESTAT.

Tax Matters Relating to Yatra Corporate Hotel Solutions Private Limited (formerly known as Intech Hotel Solutions Private Limited)

Assessment Year 2013-14

In August 2016, we were issued a notice by the Indian income tax authorities on nature of some expenditure incurred with respect to international transaction done with associate enterprise for the assessment year 2013-14. This would have tax effect of INR 1.41 million. The matter has not yet been scheduled for hearing by the assessing officer.

Assessment Year 2014-15

In July 2016, we were issued a notice by the Indian income tax authorities for scrutiny assessment for the assessment year 2014-15. We have submitted the required information to the concerned authorities. An assessment order was subsequently issued in December 2016 adding income of INR 7.8 million and raising demand of INR 0.9 million. We filed an appeal before the Commissioner of Income Tax (Appeals) in December 2016. A notice dated June 6, 2017 for penalty proceedings u/s 271(1) (c) was issued. We submitted appeal documents and clarifications against the above notice with the department. In March 2019, The Office of the Commissioner of Income Tax (Appeal) issued an order partly allowing the appeal. Against the CIT(A) orders we filed appeal before ITAT on Jun 6, 2019. The matter has not yet been scheduled for hearing.

Assessment Year 2016-17

In August 2017, we were issued a notice by the Indian income tax authorities for complete scrutiny and furnish information electronically on or before August 22, 2017. The required information has been submitted with the department. In December 2018, we have received assessment order making upward addition of INR 7.0 million. An appeal has been filed before CIT(A) in January 2019. The matter has not yet been scheduled for hearing.

Tax Matters Relating to Air Travel Bureau Ltd

Service Tax Show Cause and Demand Notice—Fiscal Years 2005-12

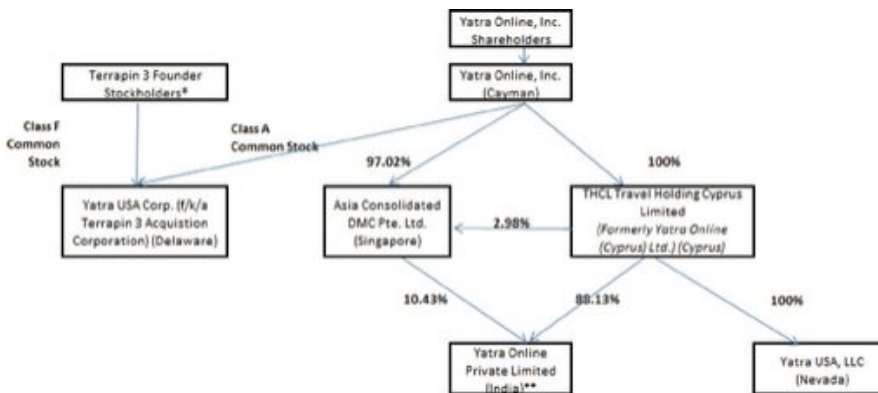
In November 2011, pursuant to an audit conducted by the service tax authorities, we received a notice from the service tax authorities for the period October 2005- September 2010 in respect of

certain matters which relate to the travel industry and involve a complex interpretation of Indian laws. The aggregate value of demand for the show cause notice above is approximately INR 3.2 million along with a penalty of INR 3.2 million and interest at an appropriate rate raised by the Additional Commissioner of Service Tax. **An appeal was filed before Commissioner of Central Excise (Appeals) in February 2012.** The matter was scheduled for hearing on March 06, 2018. As per the orders dated May 09, 2018, service tax demand was confirmed under the normal period limitation along with the interest but no penalty was imposed.

C. Organizational Structure

The following diagram illustrates our corporate structure and the place of formation and ownership interest of each of our significant subsidiaries, as of March 31, 2020:

Organisation Structure as on March 31, 2020



* Certain Terrapin 3's founder stockholders own Class F shares in Yatra Online, Inc. and have an exchange right to acquire ordinary shares of Yatra Online, Inc.

** Capital18 Fincap Private Limited holds 1.029% and Pandara Trust Scheme I holds 0.406% of Yatra Online Private Limited.

D. Property, Plant and Equipment

Our primary facility is our principal executive office located in Gurgaon, India. We have leased approximately 138,000 square foot facilities across 14 cities, including approximately 84,000 square feet in Gurgaon, approximately 18,000 square feet in Mumbai, approximately 16,000 square feet in Bangalore, approximately 5,700 square feet in Hyderabad and 1,350 square feet in Delhi.

The company is in the process of relocating to a new facility in Bangalore post March 31, 2020.

Outside of India we have leased an office in Singapore.

ITEM 4A. UNRESOLVED STAFF COMMENTS

As of the date of filing of this Annual Report, we have no unresolved comments from the SEC.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our business, financial condition and results of operations should be read in conjunction with "Item 3. Key Information—A. Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this Annual Report. This

discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Item 3. Key Information —D. Risk Factors" and elsewhere in this Annual Report. Actual results could differ materially from those contained in any forward-looking statements.

Overview

Yatra is a leading India online travel company in India, addressing the needs of both leisure and business travelers. Founded by Dhruv Shringi, Manish Amin, and Sabina Chopra, we commenced operations with the launch of our website in August 2006. We believe Yatra is India's largest independent corporate travel services provider and the second largest consumer online travel company in India (based on management's analysis of publicly available information), with approximately 11.1 million travelers that have booked their travel through us as of March 31, 2020.

Leisure and business travelers use our mobile applications, our website, www.yatra.com, and our other offerings and services to explore, research, compare prices and book a wide range of travel-related services. These services include domestic and international air ticketing on nearly all Indian and international airlines, as well as bus ticketing, rail ticketing, cab bookings and ancillary services within India. We also provide access through our platform to hotels, homestays and other accommodations, with approximately 102,000 (as of June 30, 2020) hotels and homestays in approximately 1,400 cities and towns across India and more than 1.6 million hotels around the world. To ensure that our service is truly a "one-stop shop" for travelers, we also provide our customers with access to approximately 1,250 holiday packages and more than 180,000 other activities such as tours, sightseeing, shows, and events.

We generate revenue through two main lines of business: (1) Air Ticketing and (2) Hotels and Packages. Sales in our Air Ticketing business are primarily made through our websites, mobile applications, mobile web, B2B2C (business to business to consumer) travel agents and corporate client implants. Sales in our Hotels and Packages business are made through our websites, mobile applications, mobile web, B2B2C (business to business to consumer) travel agents and call centers. We also generate revenue through sales of travel vouchers and coupons, advertising from third parties, including advertisements on our websites by facilitating access to travel insurance, and also through online sale of bus tickets, rail and cab services and other ancillary travel services.

Revenue from the sale of airline tickets in our Air Ticketing business, including commission, incentives and fees, is recognized on a net basis. Incentives from airlines are recognized when the performance thresholds under the incentive schemes are, or are probable to being achieved at the end of periods.

In our Hotels and Packages business, revenue from hotel reservations, including commissions and incentives, is recognized on a net basis. Revenue from tours and packages, including revenue on airline tickets sold to customers as a part of tours and packages, is accounted for on a gross basis as we are determined to be the primary obligor in the arrangement as the risks and responsibilities are taken by us, including the responsibility for delivery of services. The cost of delivering such services includes the cost of hotel, airlines and package services and is disclosed as service cost.

Revenue from other services primarily consists of the sale of cab services, rail and bus tickets, including commissions, is recognized on a net basis.

Revenue from other revenue primarily consists of advertising revenue, fees for facilitating website access to travel insurance companies and sales of travel vouchers and coupons. This revenue is recognized as the services are performed.

Recent Developments

COVID-19 Pandemic

In December 2019, COVID-19, a novel strain of coronavirus was initially detected in China, and over the subsequent months the virus spread globally. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The COVID-19 pandemic has severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. In response to the pandemic, the governments of many countries, states, cities and other geographic regions have implemented containment measures, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Individuals' ability to travel has been curtailed through border closures across the world, mandated travel restrictions and limited operations of hotels and airlines, and may be further limited through additional voluntary or mandated closures of travel-related business. The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new air travel, hotel and holiday bookings. Due to the high degree of cancellations and customer refunds and lower new bookings in our Air Ticketing and Hotels and Packages segments, we are experiencing unfavorable working capital trends and material negative cash flow. This is expected to continue until cancellations stabilize and travel demand begins to recover from current levels, at which time Ticketing, including air travel, and Hotel and Packages bookings and cash flow are expected to increase.

We have implemented certain measures and modified certain policies in light of the COVID-19 pandemic. For example, we have largely automated our re-scheduling and cancellation of bookings and provided our customers greater flexibility to defer or cancel their travel plans. In addition, we have also undertaken certain cost reduction initiatives, including implementing salary reductions and freezes and work from home policies, renegotiating fixed costs such as rent, deferring non-critical capital expenditures, reducing our marketing expenses and renegotiating our supplier payments and contracts. We expect to continue to adapt our policies and cost reduction initiatives as the situation evolves. Although travel restrictions and quarantine orders are gradually being lifted, it remains difficult to predict the duration of the long-term impact from the virus. See "Risk Factors—The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position."

Termination of Ebix Merger Agreement

On June 5, 2020, we provided to Ebix, Inc. ("Ebix") a notice terminating the Merger Agreement dated as of July 16, 2019 by and among us, Ebix, and EbixCash Travels Inc. ("EbixCash") and filed a complaint in the Court of Chancery of the State of Delaware against Ebix and EbixCash for their various breaches of the Merger Agreement and an ancillary agreement executed by the parties on May 14, 2020 (the "Extension Agreement"). The Complaint alleges that Ebix breached its representations, warranties, covenants, and obligations in the Merger Agreement and Extension Agreement and that its conduct prevented the parties from closing the Merger. The Complaint seeks monetary damages, pre-judgment and post-judgment interest, and our reasonable fees and costs. Ebix has publicly stated that it may assert counterclaims against us, which we intend to defend vigorously. The outcome of legal proceedings generally, regardless of the merits, is inherently uncertain and there can be no assurances that we will prevail in the litigation against Ebix. In addition, litigation and related matters are costly and may divert the attention of our management and other employee resources that would otherwise be engaged in other activities, which could adversely impact our business. If any claims are brought against us and result in a finding of legal liability or if we were unable to prevail in our claims in this litigation, our business, results of operations, liquidity and

financial condition could be adversely affected. In addition, allegations of wrongful conduct by Ebix, regardless of veracity, may harm our reputation, which may also adversely impact our business and growth prospects.

ATB Acquisition

On July 20, 2017, we, through Yatra India, agreed to acquire all of the outstanding shares of ATB pursuant to the ATB Share Purchase Agreement. Pursuant to the terms of the ATB Share Purchase Agreement, we: (a) acquired a majority of the outstanding shares of ATB on August 4, 2017 in exchange for a payment of approximately INR 510 million and (b) agreed to acquire the balance of the outstanding shares of ATB in exchange for the Final Payment to be made at the Second Closing. See "Item 4. Information on the Company—Business Overview—Recent Developments—Recent Developments—ATB Acquisition."

Key Operating Metrics

Our operating results are affected by certain key operating metrics that represent overall transaction activity and financial performance generated by our travel services and products. Three of the most important operating metrics, which are critical in determining the ongoing growth of our business, are Gross Bookings, Adjusted Revenue and Net Revenue Margins.

Gross Bookings

Gross Bookings represent the total amount paid by our customers for the travel services and products booked through us, including taxes, fees and other charges, and are net of cancellations and refunds.

Amount in INR thousands	Fiscal Year Ended March 31,		
	2018	2019	2020
Gross Bookings			
Air ticketing	79,156,190	97,638,313	77,411,328
Hotels and packages	13,386,288	13,511,914	7,895,916
Total	92,542,478	11,1150,227	85,307,244

Adjusted Revenue

As certain parts of our revenue are recognized on a "net" basis and other parts of our revenue are recognized on a "gross" basis, we evaluate our financial performance based on Adjusted Revenue, which is a non-IFRS measure. Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15, under which promotional expenses in the nature of customer inducement/acquisition costs for acquiring customers and promoting transactions across various booking platforms, such as upfront incentives and loyalty programs cost, some of which, when incurred were previously recorded as marketing and sales promotion costs, are now being recorded as a reduction of revenue. We believe that Adjusted Revenue provides investors with useful supplemental information about the financial performance of our business and more accurately reflects the value addition of the travel services that we provide to our customers. The presentation of this non-IFRS information is not meant to be considered in isolation or as a substitute for our unaudited interim condensed consolidated financial results prepared in accordance with IFRS as issued by the IASB. Our Adjusted may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

The following table reconciles our revenue, which is an IFRS measure, to Adjusted Revenue, which is a non-IFRS measure:

Amount in INR thousands except %	Fiscal Year Ended March 31,											
	Air ticketing			Hotel and Packages			Others			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Revenue	5,012,931	3,449,265	2,609,518	6,628,236	4,914,420	3,601,798	607,346	994,895	1,048,039	12,248,513	9,358,580	7,259,355
Add. Customer promotional expenses		2,258,887	1,348,472		1,248,506	105,736		64,058	32,163		3,571,451	1,486,371
Service cost				(4,930,757)	(4,282,803)	(2,922,929)				(4,930,757)	(4,282,803)	(2,922,929)
Other Income										90,001	263,785	159,631
Adjusted Revenue	<u>5,012,931</u>	<u>5,708,152</u>	<u>3,957,990</u>	<u>1,697,479</u>	<u>1,880,123</u>	<u>784,605</u>	<u>607,346</u>	<u>1,058,953</u>	<u>1,080,202</u>	<u>7,407,757</u>	<u>8,911,013</u>	<u>5,982,428</u>

Net Revenue Margins

Net Revenue Margins is defined as Adjusted Revenue as a percentage of Gross Bookings and represent the commissions, fees, incentive payments and other amounts earned in our business. We follow net revenue margin trends closely across our various lines of business to gain insight into the performance of our various businesses.

The following table sets forth the Gross Bookings, Adjusted Revenue and Net Revenue Margins for our Air Ticketing business and our Hotels and Packages business for the periods indicated:

	Fiscal Year Ended March 31,		
	2018	2019	2020
Gross Bookings			
Air Ticketing	79,156,190	97,638,313	77,411,328
Hotels and Packages	13,386,288	13,511,914	7,895,916
Total	<u>92,542,478</u>	<u>111,150,227</u>	<u>85,307,244</u>
Adjusted Revenue			
Air Ticketing	5,012,931	5,708,152	3,957,990
Hotels and Packages	1,697,479	1,880,123	784,605
Others (Including other income)	697,347	1,322,738	1,239,833
Total	<u>7,407,757</u>	<u>8,911,013</u>	<u>5,982,428</u>
Net Revenue Margin %			
Air Ticketing	6.3%	5.8%	5.1%
Hotels and Packages	12.7%	13.9%	9.9%

* Gross Bookings represent the total amount paid by our customers for the travel services and products booked through us, including fees and other charges, and are net of cancellations and refunds.

** As certain parts of our revenue are recognized on a "net" basis and other parts of our revenue are recognized on a "gross" basis, we evaluate our financial performance based on Adjusted Revenue, which is a non-IFRS measure. Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15, under which promotional expenses in the nature of customer inducement/acquisition costs for acquiring customers and promoting transactions across various booking platforms, such as upfront incentives and loyalty programs cost, some of which, when incurred were previously recorded as marketing and sales promotion costs, are now being recorded as a reduction of revenue. We believe that Adjusted Revenue provides investors with useful supplemental information about the financial performance of our business and more accurately reflects the value addition of the travel services that we provide to our customers. The presentation of this non-IFRS information is not meant to be considered in isolation or as a substitute for our

unaudited interim condensed consolidated financial results prepared in accordance with IFRS as issued by the IASB. Our Adjusted Revenue may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

*** Net Revenue Margins are defined as Adjusted revenue as a percentage of Gross Bookings.

Factors Affecting Our Results of Operations

Trends and Changes in the Indian Economy and Travel Industry. Our financial results have been, and are expected to continue to be, affected by trends and changes in the Indian economy and travel industry, particularly the Indian online travel industry. Macroeconomic trends and changes in India which may affect our results include, among others:

- a slowdown in India's economic growth;
- the impact of the COVID-19 pandemic;
- growth in the middle class population in India, as well as increased tourism expenditure in India;
- increase in discretionary expenditures among Indian households;
- increased Internet penetration (particularly broadband penetration) in India;
- increased use of the Internet for commerce in India;
- increased use of smartphones and mobile devices in India;
- intensive competition from new and existing market players, particularly in the Indian online travel industry;
- consolidation among the existing market players in the Indian travel industry;
- changes in exchange rates and controls or interest rates in India;
- changes in government policies, including taxation policies in India;
- social and civil unrest and other political, social and economic developments in or affecting India; and
- capacity additions and average occupancy rates among the hotel suppliers.

Changes specific to the Indian air travel industry have affected, and will continue to affect, the revenue per transaction for travel agents, including our company. In particular, volatility in global economic conditions and COVID-19 impact in previous year, as well as liquidity constraints, have caused our airline partners to pursue cost reductions in their operations, including reducing distribution costs. Measures taken by airlines to reduce such costs have included reductions in travel agent commissions and a reduction in the number of GDS service providers with whom such airlines do business. Recent bankruptcies have also impacted the Indian air travel industry. For example, Jet Airways, one of the largest private airlines in the India, has recently ceased operations and subsequently been referred to insolvency proceedings. Jet Airways' cessation of operations is expected to result in fewer domestic and international flights and have consequent impact on ticket prices in the Indian air travel market. In addition, many of the international airlines that fly to India have also either significantly reduced or eliminated commissions to travel agents. Full-service airlines generally utilize GDSs, which are a primary reservation tool for travel agents, for their ticket inventory; however, low-cost airlines generally do not. As a result, travel agents selling airline tickets for low-cost airlines generally do not earn fees from GDSs.

In 2017, the Government of India launched 'Ude Desh ka Aam Naagrik' (UDAN) scheme for better regional connectivity to the second tier and third tier cities. This scheme aims to create

economically viable and profitable flights on regional routes. This would help make flying more affordable to the common man even in small towns. The scheme will help to stimulate growth in the domestic regional aviation market and connect the less served airports and those that are not having flight services primarily in the tier 2 and tier 3 cities. Initially under the scheme, five companies will operate flight services on 128 established and new routes that will connect around 70 airports across the country.

In the first round of bids, the UDAN scheme connected 16 new regional airports. The Indian Government under second phase for the UDAN scheme had launched, which would connect 78 regional airports and 31 helipads or heliports serviced initially through Jet Airways, Indigo and Pawan Hans helicopters. Also 12 routes under the Regional Connectivity Scheme (RCS) UDAN have recently become functional. Now the total operational routes under UDAN is 186 (including 8 Tourism RCS routes) of the total 706 sanctioned Routes.

The Union Government of India has launched the fourth round of UDAN (Ude Desh Ka Aam Nagrik) to enhance the connectivity to regional areas of the country. This phase is to focus on Hilly states, North East Region, Ladakh, Jammu and Kashmir and Islands.

Also, the phase will allow operation of helicopter and sea planes. The phase also plans to promote short-haul routes, meaning no monetary support will be given to operators with stages more than 600 kms. In response to the COVID-19 pandemic, the Government of India initiated a complete nationwide lockdown on March 22, 2020, resulting in an immediate shutdown of domestic and international air travel. Although Indian air traffic reopened as of May 25, 2020, the Indian air travel industry continues to experience lower volumes of domestic and international flight traffic. From January 1, 2020 to June 20, 2020, the number of passengers decreased by 50% compared to same period in the prior year. On May 7, 2020, the Government of India implemented a "Vande Bharat" program for repatriating Indian citizens and international flights are expected to reopen soon. While we view these steps as positive developments for the Indian air travel industry, we also anticipate that the Indian air travel industry will experience "travel bubbles" as selected flight operators return to operations, which may lead to a continued gradual recovery of civil aviation activities for international air.

Changes in Our Business Mix and Net Margins. Our Hotels and Packages business has historically yielded higher margins than our Air Ticketing business. We believe that as a result of the complexity and fragmentation of the Hotels and Packages segment, the services we provide allow us to command better margins as compared with airline tickets, which are largely impacted by the macroeconomic factors noted above, such as fuel and consolidation in the airline industry. Our capacity additions in the hotels business, as well as the lower level of average room occupancy rates, further contribute to our relatively higher Hotels and Packages margins, as compared to Air Ticketing margins. However, given the intense competition for customer acquisition in this category by our competitors, our business will require a significant level of investment to seek to maintain and increase our share of the hotels business. To the extent we do not match competition in consumer promotions, we risk experiencing lower growth rates than those of our competitors, which could result in a change in our business mix and margins.

Cost Efficiently Attracting New B2C Customers Through the B2E Channel. Through our B2E offerings, we serve business customers, including leading organizations from India and around the world, that employ over 4 million people. We believe that our broad and diverse offerings provide us with considerable cross-selling opportunities to these potential B2C clients. In addition, in order to incentivize B2E customers to become B2C customers, we operate our eCash loyalty program. As our B2E clients become more familiar with our offerings and our eCash program, we expect our

opportunities to cross-sell to their employees will also expand. We believe this will allow us to continue to target and attract new B2C customers in a cost effective manner. Although we believe this long-term strategy of cost-efficient B2C customer expansion will allow us to continue to grow our business, the impact of these efforts may take longer to develop than we expect. If we are unable to successfully take advantage of cross-selling opportunities or attract new B2C customers, the ongoing growth of our business may be negatively impacted.

Increasing Use of Mobile. Customers in India are increasingly shifting to mobile usage. We are rapidly moving towards a 'Mobile First' business and have therefore been able to capitalize on the increasing mobile use, as evidenced by the rapid user growth on our platform with mobile being the primary channel for customers to engage with us. We have seen an increase in use of mobile as a driver for Gross Bookings and expect that as more of our customers shift to using mobile in India, this trend will continue to drive our growth.

Seasonality in the Travel Industry. We experience seasonal fluctuations in the demand for travel services and products offered by us. We tend to experience higher revenues from our Hotels and Packages business in the second and fourth calendar quarters of each year, which coincide with the summer holiday travel season and the year-end holiday travel season for our customers in India.

Marketing and Sales Promotion Expenses. Competition in the Indian online travel industry is extremely intense and the industry is expected to remain highly competitive for the foreseeable future. Increased competition may cause us to increase our marketing and sales promotion expenses in the future in order to compete effectively with new entrants and existing players in the market, and we expect this competitive environment, and therefore our expenses, to change over time. We also incur marketing and sales promotion expenses associated with customer inducement and acquisition programs, including cash incentives and loyalty program incentive promotions.

Risk Related to Operations in India. A substantial portion of our business and most of our employees are located in India, and we intend to continue to develop and expand our business in India. Consequently, our financial performance and the market price of our Ordinary Shares will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

Impact of Changing Laws, Rules and Regulations in India. The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances briefly mentioned below, may adversely affect our business, financial condition and results of operations, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy.

The Companies Act, 2013, together with the rules thereunder, or the Companies Act, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. While the majority of the provisions of the Companies Act are currently effective, certain provisions of the Companies Act, 1956 remain in effect. The timeline for implementation of the remaining provisions of the Companies Act is unclear. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

Two years after implementation, the GST law is still evolving. The Indian government is enforcing some provisions that were initially deferred, introducing regular amendments, issuing clarifications and changing tax return formats. This has caused businesses to re-visit tax positions and contract terms,

update accounting software and enhance compliance capabilities to keep up with the changing legal requirements.

Beginning in October 2018, TCS provisions were enforced for electronic commerce operators. As the Company primarily does business through its online portal and web-based application, the Company is required to comply with TCS provisions. As a result, the Company has obtained new registrations in all states and now files a monthly return which reconciles the values on which TCS is collected with the values disclosed by the suppliers. This has greatly increased compliance costs and is creating cash flow issues for the Company.

The Company is also in the process of filing its first annual return for fiscal year 2018 and having a GST audit conducted by an audit firm pursuant to GST laws, which requires the figures in the Company's books and GST returns to be reconciled and reconciliation differences explained appropriately.

The increased tax rate due to the GST regime is largely offset by tax credits. Further, for this first year of the new GST regime, the Indian government extended the time during which tax credits can be claimed for Financial Year 2017-18 by six months, which was beneficial to the Company. However, the Company still has problems claiming tax credits due to non-compliance by certain suppliers. This issue is being litigated in India by a taxpayer who is claiming that the benefit of certain tax credits should not be denied due to non-compliance by a supplier.

The Government of India is also planning to introduce new GST tax return formats in near future. Such new formats would require the Company to review the disclosures to be made in GST returns and make changes in the ERP system for capturing the requisite data.

Overall, GST has had a mixed impact on the Company. The decentralization of tax registration and related compliance have caused a significant increase in our compliance requirements over the last two years. In addition to increased compliance costs, the Company is also paying GST taxes for of hotel accommodation services provided by the unregistered hotels in each state where such unregistered hotels are located. While the Company is complying with the requirements of the GST regime, there are certain areas where clarity is still awaited and Company is in the process of finalizing tax positions while awaiting such clarity. The implementation of GST laws in India is still in its initial phase, and during such time the impact of the new indirect tax environment on the Company continues to be closely monitored on regular basis.

Change in Significant Accounting Policies and Non-IFRS Financial Measure

Adoption of New Revenue Recognition Accounting Standard

Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15. We have reviewed the new standard and have concluded that application of the new standard does not have a material impact on the consolidated results except for certain marketing and sales promotion expenses as a reduction in revenue. This pertains to upfront cash incentives and certain loyalty program costs as incurred for customer inducement and acquisition for promoting transactions across various booking platforms. These costs were previously recorded as marketing and sales promotion costs and are now being recorded as a reduction of revenue. We have adopted the new standard by using the cumulative effect method (modified retrospective approach) and, accordingly, the comparative information has not been restated.

Change in Non-IFRS Financial Measure

As of the beginning of the first quarter of fiscal year 2019, we changed the Non-IFRS Financial Measure "Revenue Less Service Costs" to "Adjusted Revenue". We evaluate our financial performance based on Adjusted Revenue, which represents IFRS revenue and other income after deducting service

cost and adding back the expenses in the nature of consumer promotions and loyalty program costs, which had been reduced from revenue, as we believe that Adjusted Revenue reflects the true value addition of the travel services that we provide to our customers. The presentation of this non-IFRS information is not meant to be considered in isolation or as a substitute for our unaudited consolidated financial results prepared in accordance with IFRS as issued by the IASB. Our Adjusted Revenue may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation. For further information and a reconciliation of this Non-IFRS financial measure to the most directly comparable IFRS financial measure, see "Certain Non-IFRS Measures" elsewhere in this Annual Report.

Operating Segments

In accordance with IFRS 8—Operating Segments, the operating segments used to present reportable segment information are identified on the basis of internal management reports used to allocate resources to the segments and assess their performance. A reportable segment is a component of our company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of our other components.

Our reportable segments are: (1) Air Ticketing and (2) Hotels and Packages. Our reportable segments are determined based on how our chief operating decision maker reviews our business, regularly assesses information and evaluates performance for operating decision-making purposes, including allocation of resources. The chief operating decision maker for the company is our Chief Executive Officer.

For further description of our segments, see Note 5 to our 2020 Consolidated Financial Statements.

Our Revenue, Service Cost and Other Revenue and Expenses

Revenue

We commenced our business in 2006 with sales of airline tickets in our Air Ticketing business and our Hotels and Packages business with a focus on retail customers (B2C) through websites and call center sales. Over time, we have expanded our channels of sales to small travel agents (B2B2C) and corporate customers (B2E) as well as new services and products such as the sale of rail and bus tickets, car transfers and facilitating access to travel insurance. We also generate advertising revenue from third-party advertisements on our websites as well as sales of travel vouchers and coupons.

Air Ticketing. We earn commissions from airlines for tickets booked by customers through our various channels of sales. We either deduct commissions at the time of payment of the fare to our airline suppliers or collect our commissions on a regular basis from our airline suppliers, whereas incentive payments, which are largely based on volume of business, are collected from our airline suppliers on a periodic basis. We charge our customers a service fee for booking airline tickets. We receive fees from our GDS service providers based on the volume of sales completed by us through the GDS. Revenue from airline tickets sold as part of packages is included in our Hotels and Packages revenue.

Hotels and Packages. Revenue from our Hotels and Packages business includes commissions and markups we earn for the sale of hotel rooms (without packages), which is recorded on a "net" basis. Revenue from packages, including hotel and airline tickets sold as part of packages, is accounted for on a "gross" basis.

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Other Revenue. Our other revenue primarily comprises of revenue from third-party advertising on our websites, income from alliances, and commissions or fees from the Indian Railway Catering and Tourism Corporation, or IRCTC, for the sale of rail tickets, bus service aggregators for the sale of bus tickets, and car and taxi operators for transfer services, as well as travel insurance providers for our facilitation of the access to travel insurance.

Service Cost

Service cost primarily consists of costs paid to hotels and package suppliers and air suppliers for the acquisition of relevant services and products for sale to customers, and includes the procurement cost of hotel rooms, air tickets, meals and other local services such as sightseeing costs for packages, entrance fees to museums and attractions and local transport costs.

Personnel Expenses

Personnel expenses primarily consist of wages and salaries, employee welfare expenses, contributions to defined contribution plans and defined benefit plans and employee share-based compensation.

Marketing and Sales Promotion Expenses

Marketing and sales promotion expenses primarily comprise of online, television, radio and print media advertisement costs as well as event driven promotion cost for the company's products and services. Such costs are the amount paid to or accrued towards advertising agencies or direct service providers for advertising on websites, television, print formats, search engine marketing and any other media. Advertising and business promotion costs are recognized when incurred.

Other Operating Expenses

Other operating expenses primarily consist of, among other things, commission and distribution expenses, charges by payment gateway providers, rental costs and other utilities, legal and professional fees, traveling and conveyance, communication costs, and provision for bad and doubtful debts and other sundry expenses.

Depreciation and Amortization

Depreciation consists primarily of depreciation expense recorded on property and equipment, such as computers and peripherals, furniture and fixtures, leasehold improvements, office equipment and vehicles. Amortization expense consists primarily of amortization recorded on intangible assets such as computer software and websites and other acquired intangible assets such as agent/supplier relationships, trademarks, intellectual property rights and non-compete agreements. Amortisation of use of assets primarily consist of amortization of Right-of-use assets created on premises taken by the Company on lease, motor vehicles and others.

Finance Income and Expense

Finance income comprises of interest income on term deposits and net gain on change in fair value of derivatives. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise of interest expense on borrowings, unwinding of the discount on provisions, Interest on lease liability and impairment losses recognized on financial assets. Interest expense is recognized in profit or loss, using the effective interest method.

Foreign Currencies

The Group's presentation currency is the Indian rupee (INR). The Parent Company's functional currency is the U.S. dollar (USD). The Company's operations are conducted through the subsidiaries and equity accounted investee where the local currency is the functional currency and the financial statements of such entities are translated from their respective functional currencies into INR. On consolidation, the assets and liabilities of foreign operations are translated into presentation currency at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income/(loss) are translated at average exchange rates prevailing during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in a statement of profit or loss.

Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and related judgments and estimates used in the preparation of our consolidated financial statements. For more information on each of these policies, see "Note 2 Significant accounting policies" to our 2020 Consolidated Financial Statements.

Basis of Preparation

The 2020 Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB. The accounting policies have been consistently applied by the Group for all periods presented in these financial statements.

The 2020 Consolidated Financial Statements have been prepared on historical cost basis, except for financial instruments classified as fair value through profit or loss.

Revenue Recognition

We generate our revenue from contracts with customers. We recognize revenue when we satisfy a performance obligation by transferring control of the promised services to a customer in an amount that reflects the consideration that we expect to receive in exchange for those services. When we act as an agent in the transaction under IFRS 15, we recognize revenue only for our commission on the arrangement. The Group has concluded that it is acting as agent in case of sale of airline tickets, hotel bookings, sale of rail and bus tickets as the supplier is primarily responsible for providing the underlying travel services and the Group does not control the service provided by the supplier to the traveler and as principal in case of sale of holiday packages since the group controls the services before such services are transferred to the traveler.

The Group provides travel products and services to leisure customers (B2C—Business to Consumer), corporate travelers (B2E—Business to Enterprise) and B2B2C (Business to Business to Consumer) travel agents in India and abroad. The revenue from rendering these services is recognized in the statement of profit or loss and other comprehensive loss once the services are rendered. This is generally the case 1) on issuance of ticket in case of sale of airline tickets 2) on date of hotel booking and 3) on the date of completion of outbound and inbound tours and packages.

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The application of our revenue recognition policies and a description of our principal activities, organized by segment, from which we generate our revenue, are presented below.

Air Ticketing

We receive commissions or service fees from the travel supplier and/or traveler. Revenue from the sale of airline tickets is recognized as an agent on a net commission earned basis. Revenue from service fee is recognized on earned basis. Both the performance obligations are satisfied on issuance of airline ticket to the traveler. We record an allowance for cancellations at the time of the transaction based on historical experience.

Incentives from airlines are recognized when the performance thresholds under the incentive schemes are achieved or are probable to be achieved at the end of periods.

Hotels and Packages

Revenue from hotel reservation is recognized as an agent on a net commission earned basis. Revenue from service fee from customer is recognized on earned basis. Both the performance obligations are satisfied on the date of hotel booking. We record an allowance for cancellations at the time of booking on this revenue based on historical experience.

Revenue from packages are accounted for on a gross basis as the Group is determined to be the primary obligor in the arrangement, that is the risks and responsibilities are taken by the Group including the responsibility for delivery of services. Cost of delivering such services includes cost of hotels, airlines and package services and is disclosed as service cost.

Other Services

Revenue from other sources, primarily comprising advertising revenue, revenue from sale of rail and bus tickets and fees for facilitating website access to travel insurance companies are being recognized as the services are being performed. Revenue from the sale of rail and bus tickets is recognized as an agent on a net commission earned basis.

Revenue is recognized net of allowances for cancellations, refunds during the period and taxes.

Revenue is allocated between the loyalty program and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when the Group fulfills its obligations to supply the products/services under the terms of the program.

The Group receives upfront fee from Global Distribution System ("GDS") providers for facilitating the booking of airline tickets on its website or other distribution channels to travel agents for using their system which is recognized as revenue for actual airline tickets sold over the total number of airline tickets to be sold over the term of the agreement and the balance amount is recognized as deferred revenue under contract liabilities.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

The Group has assessed and determined to present grants as other income in the statement of profit or loss and other comprehensive loss.

Marketing and Sales Promotion Expenses

Marketing and sales promotion expenses primarily comprise of online, television, radio and print media advertisement costs as well as event driven promotion cost for the Group's products and services. Such costs are the amounts paid to or accrued towards advertising agencies or direct service providers for advertising on websites, television, print formats, search engine marketing and any other media. Advertising and business promotion costs are recognized when incurred.

Additionally, the Group also incurs customer inducement and acquisition costs for acquiring customers and promoting transactions across various booking platforms such as upfront cash incentives, which when incurred are recorded as a reduction from revenue with effect from April 1, 2018 after the adoption of IFRS-15.

Significant Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a) Impairment reviews

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA (Earnings before interest, taxes depreciation and amortization), long term growth rates; and the selection of discount rates to reflect risks involved. Also, judgement is involved in determining the CGU and grouping of CGUs for goodwill allocation and impairment testing.

We prepare and internally approve formal five and seven year plans, as applicable, for our businesses and use these as the basis for our impairment reviews. Since the value in use exceeds the carrying amount of CGU, the fair value less costs to sell is not determined.

We test goodwill for impairment annually on March 31 and whenever there are indicators of impairment.

b) Measurement of Expected Credit Loss (ECL) for uncollectible trade receivables and advances

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analyzed. Also refer to Note 26 and 27 in financial statements.

c) Loyalty programs

Customers are entitled to loyalty points on certain transactions that can be redeemed for future qualifying transactions. The Group estimates revenue allocation between the loyalty program and the other components of the sale with assumptions about the expected redemption rates. The amount allocated to the loyalty program is deferred, and is recognized as revenue when the Group fulfills its obligations to supply the services under the terms of the program or when it is no longer probable that the points under the program will be redeemed. Also refer to Note 35 in financial statements.

d) Taxes

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. We have not recognized deferred tax asset on unused tax losses and temporary differences in most of our subsidiaries.

e) Defined benefit plans

The costs of post-retirement benefit obligation under our gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

Significant Judgments in Applying Accounting Policies

In the process of applying our accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in our 2020 Consolidated Financial Statements:

Determination of Functional Currency

Each of Yatra Online, Inc. and its subsidiaries determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. International Accounting Standard, or IAS, 21, "*The Effects of Changes in Foreign Exchange Rates*," prescribes the factors to be considered for the purpose of determining the functional currency. However, in respect of the parent company and certain intermediary foreign operations, the determination of functional currency might not be very obvious due to mixed indicators, such as the source of financing, the functional currency of the shareholders, the currency in which the borrowings have been raised and the extent of autonomy enjoyed by the foreign operation. In such cases, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic

conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Determining the lease term of contracts with renewal and termination options—Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to Note 44 in financial statements for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Property lease classification—Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Results of Operations

Convenience Translation

The consolidated financial statements are stated in INR. However, solely for the convenience of the readers, the consolidated statement of profit or loss and other comprehensive loss for the year ended March 31, 2020, the consolidated statement of financial position as of March 31, 2020, the consolidated statement of cash flows for year ended March 31, 2020, were converted into U.S. dollars at the exchange rate of 75.39 INR per USD, which is based on the noon buying rate as at March 31,

2020, in The City of New York for cable transfers of Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York. This arithmetic conversion should not be construed as representation that the amounts expressed in INR may be converted into USD at that or any other exchange rate as well as that such numbers are in compliance as per the requirements of the IFRS.

Reclassifications

Certain reclassifications have been made in the consolidated statements of profit or loss and other comprehensive income/(loss), consolidated statement of financial position and consolidated statement of cash flows of prior periods to conform to the classifications used in the current period. The impact of such reclassifications on consolidated statements of profit or loss and other comprehensive income (loss), consolidated statement of financial position and consolidated statement of cash flows is not material.

Yatra Online, Inc.'s financial and operating results for the fiscal year 2019 include 100% of the financial and operating results of Travel.Co.In Limited (TCIL), which we acquired on February 8, 2019.

Yatra Online, Inc.'s financial and operating results for the year ended March 31, 2019 include the financial and operating results of ATB, in which we acquired a majority stake on August 4, 2017.

Results of Fiscal Year Ended March 31, 2020 Compared to Fiscal Year Ended March 31, 2019

Amount in INR thousands except %	Fiscal Year Ended March 31,			
	2019		2020	
	Amount	%	Amount	%
Total revenue	9,358,580	100.0	7,259,355	100.0
Other Income	263,785	2.8	159,631	2.2
Service cost	4,282,803	45.8	2,922,929	40.3
Personnel expenses	2,550,214	27.3	1,777,273	24.5
Marketing and sales promotion expenses	809,996	8.7	196,209	2.7
Other operating expenses	3,975,805	42.5	2,259,261	31.1
Depreciation and amortization	581,746	6.2	666,369	9.2
Impairment of goodwill	—	—	221,999	3.1
Results from operations	(2,578,199)	(27.5)	(625,054)	(8.6)
Share of loss of Joint venture	(12,772)	(0.1)	(10,784)	(0.1)
Finance income	41,310	0.4	58,641	0.8
Finance costs	(263,290)	(2.8)	(193,287)	(2.7)
Change in fair value of warrants	1,667,193	17.8	94	0.0
Loss before income taxes	(1,145,758)	(12.2)	(770,390)	(10.6)
Income tax expense	(47,837)	(0.5)	(69,805)	(1.0)
Loss for the year	(1,193,595)	(12.8)	(840,195)	(11.6)
Basic Loss per share	(26.37)		(17.94)	
Diluted Loss per share	(26.95)		(17.94)	

Revenue. We generated revenue of INR 7,259.4 million in the year ended March 31, 2020, a decrease of 22.4% compared with INR 9,358.6 million in year ended March 31, 2019.

Service Cost. Our service cost decreased to INR 2,922.9 million in the year ended March 31, 2020 from INR 4,282.8 million in the year ended March 31, 2019 primarily due to the decrease in our sales of holiday packages.

Adjusted Revenue⁽¹⁾ Our Adjusted Revenue decreased by 32.9% to INR 5,982.4 million in the year ended March 31, 2020 from INR 8,911.0 million in the year ended March 31, 2019. In the year ended March 31, 2020, Adjusted Revenue includes the add-back of INR 1,486.4 million in the year ended March 31, 2020 from INR 3,571.5 million in the year ended March 31, 2019, of expenses in the nature

of consumer promotion and certain loyalty program costs reduced from revenue. These expenses have been added back to calculate Adjusted Revenue, with the accompanying increase in marketing and sales promotions expenses, to more accurately reflect the way the Company views its ongoing business. Under IFRS 15, these expenses are required to be reduced from Revenue, an IFRS measure. The de-growth in Adjusted Revenue resulted mainly from a decrease of 30.7% in our Adjusted Revenue from Air Ticketing along with a decrease of 58.3% in our Adjusted Revenue from Hotels and Packages and decrease of 6.3% in Others (Including Other Income) which primarily consists of cross sell, advertisement income and government grant.

Air Ticketing. Revenue from our Air Ticketing business was INR 2,609.5 million in the year ended March 31, 2020 against INR 3,449.3 million in the year ended March 31, 2019.

Adjusted Revenue⁽¹⁾ from our Air Ticketing business decreased by 30.7% to INR 3,958.0 million in the year ended March 31, 2020 against INR 5,708.2 million in the year ended March 31, 2019. In the year ended March 31, 2020, Adjusted Revenue⁽¹⁾ for Air Ticketing includes the addition of INR 1,348.5 million in the year ended March 31, 2020 against INR 2,258.9 million in the year ended March 31, 2019 of consumer promotion and loyalty program costs, which reduced revenue as per IFRS 15. Decline in Adjusted Revenue⁽¹⁾ from Air Ticketing for the year was driven by a decrease in gross bookings of 20.7% to INR 77.4 billion in the year ended March 31, 2020, including the impact of consolidation of TCIL, as compared to INR 97.6 billion in the year ended March 31, 2019.

Our Net Revenue Margin in the current year decreased to 5.1% from 5.8% for the corresponding period last year due to a change in business mix, cessation of operations by Jet Airways and the impact of content movement by an airline from a GDS provider

Hotels and Packages. Revenue from our Hotels and Packages business was INR 3,601.8 million in the year ended March 31, 2020 against INR 4,914.4 million in the year ended March 31, 2019.

Adjusted Revenue⁽¹⁾ for this segment decreased by 58.3% to INR 784.6 million in the year ended March 31, 2020 from INR 1,880.1 million in the year ended March 31, 2019. In the year ended March 31, 2020, Adjusted Revenue⁽¹⁾ for Hotels & Packages includes the add-back of INR 105.7 million against INR 1,248.5 million in the year ended March 31, 2019, of customer promotional expenses, which had been reduced from revenue as per IFRS 15. This decrease was due to decrease in standalone hotel room nights booked by 48.7%. Net Revenue Margin for the segment during the current year declined to 9.9% from 13.9% for the year ended March 31, 2019, due to change in business mix.

Other Revenue. Our other revenue was INR 1,048.0 million in the year ended March 31, 2020, an increase from INR 994.9 million in the year ended March 31, 2019.

Adjusted Revenue for this segment increased by 2.0% to INR 1,080.2 million in the year ended March 31, 2020 from INR 1,059.0 million in the year ended March 31, 2019. In the year ended March 31, 2020, Adjusted Revenue includes add-back of INR 32.2 million in the year ended March 31, 2020 against INR 64.1 million in the year ended March 31, 2019 of consumer promotion expenses, which had been reduced from revenue as per IFRS 15. This increase in Adjusted Revenue was primarily due to increase in advertisement and alliances income.

Other Income. Our other income decreased to INR 159.6 million in the year ended March 31, 2020 from INR 263.8 million in the year ended March 31, 2019 due to decrease in eligible sales for government grant.

Personnel Expenses. Our personnel expenses decreased by 30.3% to INR 1,777.3 million in the year ended March 31, 2020 from INR 2,550.2 million in the year ended March 31, 2019. This decrease

(1) See the section below titled "Certain Non IFRS Measures."

was primarily due to a decrease in employee share-based payment expenses to INR 5.1 million in the year ended March 31, 2020 from INR 282.9 million in the year ended March 31, 2019, certain rationalization of headcount and the outsourcing of customer contact centers. Personnel expenses, as a percentage of Revenue declined to 24.5% for the current year from 27.3% in for the year ended March 31, 2019. Personnel expenses, as a percentage of Adjusted Revenue⁽¹⁾ increased to 29.7% for the current year from 28.6% for the year ended March 31, 2019. Excluding employee share-based compensation costs for year ended March 31, 2020 and March 31, 2019, personnel expenses decreased by 21.8% in the year ended March 31, 2020.

Marketing and Sales Promotion Expenses. Marketing and sales promotion expenses decreased by 75.8% to INR 196.2 million in the year ended March 31, 2020 from INR 810.0 million in the year ended March 31, 2019, post adoption of IFRS 15 on April 1, 2018. Adding back the expenses for consumer promotions and loyalty program costs, which have been reduced from Revenue per IFRS 15, our marketing spend would have been INR 1,682.6 million against INR 4,381.4 million in the year ended March 31, 2019, 61.6% lower year-over-year for the year. Adding back the expenses for consumer promotions and loyalty program costs, Marketing and Sales Promotion Expenses as a percentage of Adjusted Revenue⁽¹⁾ declined to 28.1% for the current year from 49.2% for the year ended March 31, 2019.

Other Operating Expenses. Other operating expenses decreased by 43.2% to INR 2,259.2 million in the year ended March 31, 2020 from INR 3,975.8 million in the year ended March 31, 2019 primarily due to decrease in Remeasurement of contingent consideration, commission, communication charges, payment gateway charges, rent, re-measurement of contingent consideration, provision for doubtful debts and travelling and conveyance charges which is partially offset by increase in legal and professional charges and outsourcing fees.

Adjusted EBITDA loss⁽¹⁾. Due to the forgoing factors and operating efficiencies, adjusted EBITDA loss⁽¹⁾ decreased by 90.1% to INR 121.6 million in the year ended March 31, 2020 from adjusted EBITDA loss⁽¹⁾ of INR 1,228.3 million in the year ended March 31, 2019.

Depreciation and Amortization. Our depreciation and amortization expenses increased by 14.5% to INR 666.4 million in the year ended March 31, 2020 from INR 581.7 million in the year ended March 31, 2019 primarily as a result of an increase in amortization expense on Right of use assets on adoption of IFRS 16 and increase in amortization expense.

Impairment of goodwill. Our goodwill impairment charge was INR 222.0 million in the year ended March 31, 2020. In the fourth quarter of fiscal year 2020, as a result of the significant negative impact related to COVID-19 pandemic on the travel industry, we concluded that sufficient indicators existed to require us to perform a quantitative assessment of goodwill and, following that assessment, we recorded an impairment charge of our goodwill amounting to INR 222.0 million, primarily related to our Yatra TG Stays Private Limited and Yatra Hotel Solutions Private Limited business, which we had acquired in fiscal year 2013. Goodwill impairment charge in the year ended March 31, 2019 was Nil.

Results from Operations. As a result of the foregoing factors, our result from operating activities was a loss of INR 625.1 million in the year ended March 31, 2020. Our loss for the year ended March 31, 2019 was INR 2,578.2 million. Excluding the employee share-based compensation costs, re-measurement of contingent consideration and impairment of goodwill, Adjusted Results from Operations⁽¹⁾ would have been loss of INR 787.9 million for year ended March 31, 2020 as compared to loss of INR 1,810.0 million for year ended March 31, 2019.

(1) See the section below titled "Certain Non IFRS Measures."

Share of Loss of Joint Venture. This loss pertains to a joint venture investment that operates in adventure travel activities. Our loss from this joint venture decreased to INR 10.8 million in the year ended March 31, 2020 from INR 12.8 million in the year ended March 31, 2019.

Finance Income. Our finance income increased to INR 58.6 million in the year ended March 31, 2020 from INR 41.3 million in the year ended March 31, 2019. The increase was primarily due to increase in the interest income on others.

Finance Costs. Our finance costs decreased to INR 193.3 million in the year ended March 31, 2020 as compared to INR 263.3 million in the year ended March 31, 2019. The decrease was due to decrease in loss on account of foreign exchange fluctuation and interest on borrowings which is partially offset by increase in interest on the lease liability on adoption of IFRS 16.

Change in fair value of warrants. The change in the fair market value of warrants resulted in an income of INR 0.1 million during the year ended March 31, 2020.

Income Tax Expense. Our income tax expense during the year ended March 31, 2020 was INR 69.8 million compared to an expense of INR 47.8 million during the year ended March 31, 2019.

Loss for the Period. As a result of the foregoing factors, our loss in the year ended March 31, 2020 was INR 840.2 million as compared to a profit of INR 1,193.6 million in the year ended March 31, 2019. Excluding the employee share based compensation costs, re-measurement of contingent consideration, impairment of goodwill and net change in fair value of warrants, the Adjusted Loss⁽¹⁾ would have been INR 1,003.2 million for year ended March 31, 2020 and INR 2,092.6 million for year ended March 31, 2019.

Basic Loss per Share. Basic loss per share was INR 17.94 in the year ended March 31, 2020 as compared to basic earnings per share of INR 26.37 in the year ended March 31, 2019. After excluding the employee share-based compensation costs, re-measurement of contingent consideration, impairment of goodwill and net change in fair value of warrants Adjusted Basic Loss per Share⁽¹⁾ would have been INR 21.39 in the year ended March 31, 2020, as compared to INR 47.28 in the year ended March 31, 2019.

Diluted Loss per Share. Diluted earnings per share was INR 17.94 in the year ended March 31, 2020 as compared to Diluted earnings per share of INR 26.95 in the year ended March 31, 2019. After excluding the employee share-based compensation costs, re-measurement of contingent consideration, impairment of goodwill and net change in fair value of warrants, Adjusted Diluted Loss per Share⁽¹⁾ would have been INR 21.39 in the year ended March 31, 2020 as compared to INR 47.25 in the year ended March 31, 2019.

(1) See the section below titled "Certain Non IFRS Measures."

Results of Fiscal Year Ended March 31, 2019 Compared to Fiscal Year Ended March 31, 2018

Amount in INR thousands except %	Fiscal Year Ended March 31,			
	2018		2019	
	Amount	%	Amount	%
Total revenue	12,248,513	100.0	9,358,580	100.0
Other income	90,001	0.7	263,785	2.8
Service cost	4,930,757	40.3	4,282,803	45.8
Personnel expenses	2,902,840	23.7	2,550,214	27.3
Marketing and sales promotion expenses	4,153,920	33.9	809,996	8.7
Other operating expenses	3,285,530	26.8	3,975,805	42.5
Depreciation and amortization	425,600	3.5	581,746	6.2
Results from operations	(3,360,133)	(27.4)	(2,578,199)	(27.5)
Share of loss of joint venture	(10,559)	(0.1)	(12,772)	(0.1)
Finance income	91,912	0.8	41,310	0.4
Finance costs	(153,056)	(1.2)	(263,290)	(2.8)
Change in fair value of warrants	(563,253)	(4.6)	1,667,193	17.8
Loss before income taxes	(3,995,089)	(32.6)	(1,145,758)	(12.2)
Income tax expense	(56,887)	(0.5)	(47,837)	(0.5)
Loss for the year	(4,051,976)	(33.1)	(1,193,595)	(12.8)
Basic Loss per share	(116.41)		(26.37)	
Diluted Loss per share	(116.41)		(26.95)	

Revenue. We generated revenue of INR 9,358.6 million in the year ended March 31, 2019, a decrease of 23.6% over revenue of 12,248.5 million for the year ended March 31, 2018, primarily due to our adoption of IFRS 15. Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15, pursuant to which upfront cash incentives, loyalty programs costs for customer inducement and acquisition costs for promoting transactions across various booking platforms, some of which, when incurred, were previously recorded as marketing and sales promotion costs, are now recorded as an offset of revenue. We have adopted the new standard by using the cumulative effect method (modified retrospective approach) and, accordingly, the comparative information has not been restated.

Service Cost. Our service cost decreased to INR 4,282.8 million in the year ended March 31, 2019 from INR 4,930.8 million in the year ended March 31, 2018 due to decrease in our sales of holiday packages.

Adjusted Revenue⁽¹⁾ Our Adjusted Revenue increased by 20.3% to INR 8,911.0 million in the year ended March 31, 2019 from INR 7,407.8 million in year ended March 31, 2018. In the year ended March 31, 2019, Adjusted Revenue includes the add-back of INR 3,571.5 million of expenses in the nature of consumer promotion and certain loyalty program costs reduced from revenue. These expenses have been added back to calculate Adjusted Revenue, with the accompanying increase in marketing and sales promotions expenses, to more accurately reflect the way the Company views its ongoing business. Under IFRS 15, these expenses are required to be reduced from Revenue, an IFRS measure. The growth in Adjusted Revenue resulted mainly from an increase of 13.9% in our Adjusted Revenue from Air Ticketing, an increase of 10.8% in our Adjusted Revenue from Hotels and Packages and an increase of 89.7% in Others (Including Other Income) which primarily consists of cross sell, advertisement income and government grants.

Air Ticketing. Revenue from our Air Ticketing business was INR 3,449.3 million in the year ended March 31, 2019 against INR 5,012.9 million in the year ended March 31, 2018.

Adjusted Revenue⁽¹⁾ from our Air Ticketing business increased to INR 5,708.2 million in the year ended March 31, 2019 against INR 5,012.9 million in the year ended March 31, 2018. In the year

ended March 31, 2019, Adjusted Revenue⁽¹⁾ for Air Ticketing includes the addition of INR 2,258.9 million of consumer promotion and loyalty program costs, which reduced revenue as per IFRS 15. Growth in Adjusted Revenue⁽¹⁾ from Air Ticketing for the year was driven by an increase in gross bookings of 23.3% to INR 97.6 billion in the year ended March 31, 2019, including the impact of consolidation of ATB and TCIL, as compared to INR 79.2 billion in the year ended March 31, 2018.

Our Net Revenue Margin for this segment for the year ended March 31, 2019 decreased to 5.8% from 6.3% for the prior year due to a change in business mix and reduction in Global Distribution revenues by INR 65.2 million due to a reduction in capacity and subsequent cessation of operations by Jet Airways and the impact of Reservation Content Movement, which has been partially offset due to change in estimates of certain aged customer refunds.

Hotels and Packages. Revenue from our Hotels and Packages business was INR 4,914.4 million in the year ended March 31, 2019 against INR 6,628.2 million in the year ended March 31, 2018.

Adjusted Revenue⁽²⁾ for this segment increased by 10.8% to INR 1,880.1 million in the year ended March 31, 2019 from 1,697.5 million in the year ended March 31, 2018. In the year ended March 31, 2019, Adjusted Revenue⁽¹⁾ for Hotels & Packages includes the add-back of INR 1,248.5 million of customer promotional expenses, which had been reduced from revenue as per IFRS 15. This increase was due to increase in standalone hotel room nights booked by 11.6% and a decline in Holiday Package sales due to our decision to shut down our physical retail sales locations in our drive towards profitability. Net Revenue Margin for the segment for the year ended March 31, 2019 improved to 14.0% from 12.7% for the year ended March 31, 2018, due to change in business mix.

Other Revenue. Our other revenue was INR 994.9 million in the year ended March 31, 2019, an increase from INR 607.3 million in the year ended March 31, 2018.

Adjusted Revenue⁽¹⁾ for this segment increased by 74.4% to INR 1,059.0 million in the year ended March 31, 2019 from INR 607.3 million in the year ended March 31, 2018. In the year ended March 31, 2019, Adjusted Revenue includes add-back of INR 64.1 million of consumer promotion expenses reduced from revenue as per IFRS 15. This increase in Adjusted Revenue was primarily due to increase in advertisement and alliances income.

Other Income. Our other income increased to INR 263.8 million in the year ended March 31, 2019 from INR 90.0 million in the year ended March 31, 2018 primarily due to an increase in government grants.

Personnel Expenses. Our personnel expenses decreased by 12.1% to INR 2,550.2 million in the year ended March 31, 2019 from INR 2,902.8 million in the year ended March 31, 2018. This decrease was primarily due to a decrease in employee share-based payment expenses to INR 282.9 million in the year ended March 31, 2019 from INR 729.9 million in the year ended March 31, 2018, outsourcing of customer contact centers and certain rationalization in headcount. Personnel expenses, as a percentage of Revenue increased to 27.3% from 23.7% for the year ended March 31, 2019. For the year ended March 31, 2019, Personnel expenses, as a percentage of Adjusted Revenue⁽¹⁾ declined to 28.6% from 39.2% in the year ended March 31, 2018. Excluding employee share-based compensation costs for the year ended March 31, 2019 and March 31, 2018, Personnel expenses increased by 4.3% for the year ended March 31, 2019.

Marketing and Sales Promotion Expenses. Marketing and sales promotion expenses decreased by 80.5% to INR 810 million in the year ended March 31, 2019 from INR 4,153.9 million in the year ended March 31, 2018, post adoption of IFRS 15 on April 1, 2018. Adding back the expenses for consumer promotions and loyalty program costs, which have been reduced from Revenue per IFRS 15, our marketing and sales promotion expenses for the year ended March 31, 2019 would have been INR

(1) See the section below titled "Certain Non IFRS Measures."

4,381.4 million, 5.5% higher year-over-year, which was lower than the growth in our Adjusted Revenue⁽¹⁾ for the year ended March 31, 2019 of 20.3%.

Other Operating Expenses. Other operating expenses increased by 21.1% to INR 3,975.8 million in the year ended March 31, 2019 from INR 3,285.5 million in the year ended March 31, 2018 primarily due to increase in payment gateway expenses, communication expenses and commission expenses due to increase in business volume, increase in legal and professional expenses, provision for doubtful debts due to cessation of operations and subsequent insolvency proceedings for Jet Airways and technology tools provided by GDS resulting in a charge of INR 201.7 million and re-measurement of contingent consideration, marginally offset by decrease in rates and taxes and travelling and conveyance expenses for the year ending March 31, 2019.

Adjusted EBITDA Loss⁽¹⁾. Due to the forgoing factors and operating efficiencies, adjusted EBITDA Loss has decreased to INR 1,228.3 million in the year ended March 31, 2019 from adjusted EBITDA Loss of INR 1,910.3 million in the year ended March 31, 2018.

Depreciation and Amortization. Our depreciation and amortization expenses increased by 36.7% to INR 581.7 million in the year ended March 31, 2019 from INR 425.6 million in the year ended March 31, 2018 primarily as a result of an increase in amortization expense to INR 458.0 million in the year ended March 31, 2019 from INR 321.1 million in the year ended March 31, 2018.

Results from Operations. As a result of the foregoing factors, our result from operating activities was a loss of INR 2,578.2 million in the year ended March 31, 2019. Our loss for the year ended March 31, 2018 was INR 3,360.1 million. Excluding the employee share-based compensation costs and re-measurement of contingent consideration, Adjusted Results from Operations⁽¹⁾ would have been INR 1,810.0 million for year ended March 31, 2019 as compared to INR 2,335.9 million for year ended March 31, 2018.

Share of Loss of Joint Venture. This loss pertains to a joint venture investment that operates in adventure travel activities. Our loss from this joint venture increased to INR 12.8 million in the year ended March 31, 2019 from INR 10.6 million in the year ended March 31, 2018.

Finance Income. Our finance income decreased to INR 41.3 million in the year ended March 31, 2019 from INR 91.9 million in the year ended March 31, 2018. The decrease was primarily due to a decrease in the interest income from our bank deposits.

Finance Costs. Our finance costs increased to INR 263.3 million in the year ended March 31, 2019 as compared to INR 153.1 million in the year ended March 31, 2018. The increase was mainly due to an increase in borrowings and foreign exchange loss.

Change in fair value of warrants. The change in the fair market value of warrants resulted in an income of INR 1,667.1 million during the year ended March 31, 2019.

Income Tax Expense. Our income tax expense during the year ended March 31, 2019 was INR 47.8 million compared to an expense of INR 56.9 million during the year ended March 31, 2018.

Loss for the Year. As a result of the foregoing factors, our loss during the year ended March 31, 2019 was INR 1,193.6 million as compared to a loss of INR 4,052.0 million in the year ended March 31, 2018. Excluding the employee share-based compensation costs, re-measurement of contingent consideration and net change in fair value of warrants, the Adjusted Loss⁽¹⁾ would have been INR 2,092.6 million for year ended March 31, 2019 and INR 2,464.5 million for year ended March 31, 2018.

(1) See the section below titled "Certain Non IFRS Measures."

Basic Loss per Share. Basic loss per share was INR 26.37 in the year ended March 31, 2019 as compared to basic loss per share of INR 116.41 in the year ended March 31, 2018. After excluding the employee share-based compensation costs, re-measurement of contingent consideration and net change in fair value of warrants, Adjusted Basic Loss per Share⁽¹⁾ would have been INR 47.28 in the year ended March 31, 2019 as compared to INR 70.65 in the year ended March 31, 2018.

Diluted Loss per Share. Diluted loss per share was INR 26.95 in the year ended March 31, 2019 as compared to diluted loss per share of INR 116.41 in the year ended March 31, 2018. After excluding the employee share-based compensation costs, re-measurement of contingent consideration and net change in fair value of warrants, Adjusted Diluted Loss per Share⁽¹⁾ would have been INR 47.25 in the year ended March 31, 2019 as compared to INR 70.65 in the year ended March 31, 2018.

Liquidity and Capital Resources

Our sources of liquidity have principally been proceeds from the sale of our Class A Shares and Class F Shares, Ordinary Shares, long term borrowings, bank overdrafts, working capital facilities and cash flows from operations. Our cash requirements have mainly been for funding operational losses, acquisitions, working capital as well as capital expenditures.

As of March 31, 2020, our primary sources of liquidity were INR 1,365.4 million of cash and cash equivalents and 755.3 million in term deposits (INR 633.4 million is pledged with various banks against bank guarantees, bank overdraft, vehicle loan, letter of credit, sales invoice discounting and credit card facilities). There was a breach of compliance with some of the debt covenants of the certain financing arrangement with the bank caused inter alia due to the ongoing pandemic situation arising out of COVID-19. The bank has subsequently confirmed that such breaches are not being treated as event of default under the said financing arrangement.

As of March 31, 2019, our primary sources of liquidity were INR 2,161.0 million of cash and cash equivalents and 1,029.5 million in term deposits (INR 1,015.3 million is pledged with various banks against bank guarantees, bank overdraft, vehicle loan, letter of credit, sales invoice discounting and credit card facilities).

As of March 31, 2018, our primary sources of liquidity were INR 2,465.1 million of cash and cash equivalents and 1,012.1 million in term deposits (INR 831.7 million is pledged with various banks against bank guarantees, bank overdraft, vehicle loan, letter of credit, sales invoice discounting and credit card facilities).

Our trade receivables and contract assets primarily comprise of: (1) commissions, incentive or other payments owed to us by airlines and other suppliers and (2) receivables from our B2B2C travel agents, corporate and some retail customers to whom we typically extend credit periods. Our trade and other receivables decreased by INR 2,552.9 million from INR 4,921.3 million as of March 31, 2019 to INR 2,368.4 million as of March 31, 2020,

Our Prepayments and other assets primarily consist of current portion of prepayments made to and deposits placed with our suppliers. Our other current assets decreased from INR 899.9 million as of March 31, 2019 to INR 852.0 as of March 31, 2020, primarily due to decreases in advances made to our airline and hotel suppliers.

In September 2017, the Company took a term loan of \$7.8 million, or approximately INR 509.3 million, from InnoVen Capital Singapore PTE. LTD., consisting of \$5 million "Facility A" and \$2.8 million "Facility B," carrying an interest of 9% per annum. The loan is repayable in relation to Facility A over the period until January 01, 2020 and in relation to Facility B over the period until August 01, 2019. The Company repaid the amounts outstanding against loans taken in India and outside India on December 24, 2019, thereby repaying all existing obligations towards the loan. The

(1) See the section below titled "Certain Non IFRS Measures."

loan was secured by charge on all existing and future, current and non-current assets, including any intellectual property and intellectual property rights of the company.

Yatra India, an indirect subsidiary of the Company, took a term loan from InnoVen Capital India Private Limited of an aggregate amount of INR 495 million, consisting of INR 320 million "First Tranche" and INR 175 million "Second Tranche" in September 2017, carrying an interest of 14.75% per annum. The loan is repayable in relation to First Tranche over the period until January 01, 2020 and in relation to Second Tranche over the period until August 01, 2019. The amount outstanding against this loan as of March 31, 2019 was INR 161.1 million. The loan was secured by pledge of all existing and future, current and non-current assets, including any intellectual property and intellectual property rights of the company and by the pledge of shares held by Yatra India in ATB. As on July 4, 2019, the pledge on these shares has been released against a fixed deposit of INR 50 million. . The Company repaid the amounts outstanding against loans taken in India and outside India on December 24, 2019, thereby repaying all existing obligations towards the loan.

As of March 31, 2020, Yatra India had sanctioned bank guarantee limits of INR 300 million from ICICI bank against bank deposits of INR 300 million (this amount is pledged and we do not earn any interest on this bank deposit), all existing and future fixed and current assets including intellectual property and intellectual property rights. As of March 31, 2020, ATB had sanctioned cash credit and bank guarantee limits of INR 1,100 million from ICICI bank (INR 800 million as a cash credit limit, INR 200 million as a bank guarantee limit with 20% cash margin of the bank guarantee value upon utilization of the limit and INR 100 million as a invoice discounting facility) against a bank deposit of INR 150 million (this amount is pledged and we do not earn any interest on this bank deposit), all existing and future fixed and current assets including intellectual property and intellectual property rights.

The following breaches occurred with respect to the covenants for the facility with ICICI Bank. Most of these breaches were mainly on account of disruption caused by the outbreak of Covid 19 pandemic:

Yatra India:

- a. Maintaining a certain level of receivables and routing of minimum level of collections through the bank account for the month of March 2020.

ATB

- a. Maintaining certain level of sales in a month of December 2019, February and March 2020
- b. Covenant with respect to agreed "Total Debt (TD) / Earnings before Interest, Depreciation, Taxes and Amortization (EBITDA)" ratio for the financial year ending March 31, 2020

The bank on July 30,2020, confirmed in writing that such breaches are not being treated as event of default under the said financing arrangement.

As of March 31, 2019, Yatra India had sanctioned bank guarantee limits of (i) INR 1,100 million from ICICI bank against bank deposits of INR 600 million (this amount is pledged and we do not earn any interest on this bank deposit), all existing and future fixed and current assets including intellectual property and intellectual property rights. As of March 31, 2019, ATB had sanctioned cash credit and bank guarantee limits of INR 1,100 million from ICICI bank (INR 800 million as a cash credit limit against a bank deposit of INR 150 million (this amount is pledged and we do not earn any interest on this bank deposit) and INR 300 million as a bank guarantee limit with 20% cash margin of the bank guarantee value upon utilization of the limit), all existing and future fixed and current assets including intellectual property and intellectual property rights.

As of March 31, 2018, Yatra India had sanctioned bank guarantee limits of (i) INR 1,100 million from ICICI bank against bank deposits of INR 600 million (this amount is pledged and we do not earn any interest on this bank deposit), all existing and future fixed and current assets including intellectual

property and intellectual property rights, and (ii) INR 10 million from HSBC bank against fixed deposits.

Yatra India took a term loan from InnoVen Capital India Private Limited (formerly SVB India Finance Private Limited) of an aggregate amount of INR 250 million, consisting of INR 150 million in November 2013 and INR 100 million in March 2014, carrying an interest of 14.40% per annum. The loan was repayable in 31 and 30 monthly installments. The amount outstanding against this loan as of March 31, 2016 was INR 86.9 million. The loan was secured by pledge of all existing and future, current and fixed assets, including any intellectual property and intellectual property rights of the company. On January 20, 2017, we prepaid the entire outstanding amount of the loan amounting to INR 10.3 million, which included prepayment charges of INR 0.2 million and also got the security against all current and fixed assets as mentioned above released.

We have taken vehicles on finance lease wherein the leased vehicles are pledged as security for the related lease. As of March 31, 2020, the outstanding balance of finance lease liability was INR 1.1 million as compared to INR 4.1 million as at March 31, 2019. Further, we have taken certain vehicles on loan which is secured against pledge of such vehicles and fixed deposit. As of March 31, 2020, the outstanding balance of such borrowing is INR 14.4 million as compared to INR 39.2 million as at March 31, 2019.

We have taken vehicles on finance lease wherein the leased vehicles are pledged as security for the related lease. As of March 31, 2019, the outstanding balance of finance lease liability was INR 4.1 million as compared to INR 8.9 million as at March 31, 2018. Further, we have taken certain vehicles on loan which is secured against pledge of such vehicles and fixed deposit. As of March 31, 2019, the outstanding balance of such borrowing is INR 39.2 million as compared to INR 46.1 million as at March 31, 2018.

From time to time, we are also required by certain international and Indian airlines, Hotels and Packages suppliers, as well as certain aggregators from whom we obtain hotel inventory and other travel suppliers, to obtain bank guarantees or letters of credit to secure our obligations to them.

We believe that our current cash and cash equivalents and cash flow from operations will be sufficient to meet our anticipated regular working capital requirements, funding of operational losses and our needs for capital expenditures for at least the next 12 months. We may, however, require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue.

The following table sets forth the summary of our cash flows for the periods indicated:

	Fiscal Year Ended March 31,			
	2017	2018	2019	2020
	INR ('000s)	INR ('000s)	INR ('000s)	INR ('000s)
Net cash from/(used in) operating activities	(1,589,820)	(881,940)	(3,542,134)	(550,356)
Net cash from/(used in) investing activities	(2,380,528)	1,221,059	(650,325)	96,643
Net cash from/(used in) financing activities	5,135,612	577,182	2,904,580	(333,471)
Net increase/(decrease) in cash and cash equivalents	1,165,264	916,302	(1,287,879)	(787,184)
Effect of exchange rate changes on cash and cash equivalents	(22,299)	16,144	186,477	69,742
Cash and cash equivalents at the beginning of the year	389,664	1,532,629	2,465,073	1,363,671
Closing cash and cash equivalents at the end of the year	1,532,629	2,465,073	1,363,671	646,229

Net cash from / (used in) operating activities

Our net cash used in operating activities was INR 550.4 million in the year ended March 31, 2020, as compared to net cash used in operating activities of INR 3,542.1 million in the year ended

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March 31, 2019, an increase in cash usage of INR 2,991.8 million in the year ended March 31, 2020. Our net loss adjusted for interest, tax, amortization and depreciation and other non-cash items was INR 114.1 million in the year ended March 31, 2020. Further, in the year ended March 31, 2020, there was an increase in our working capital of INR 396.5 million, as compared to an increase in working capital of INR 2,217.2 million in the year ended March 31, 2019. The increase in working capital in the year ended March 31, 2020 was primarily due to INR 2,887.8 million decreases in trade and other payables and INR 2,489.8 million decreases in trade and other receivables. The increase in working capital in the year ended March 31, 2019 was primarily due to INR 1,316.4 million increases in trade and other receivables and INR 920.9 million decreases in trade and other payables due to an increase in the volume of our business.

Our net cash used in operating activities was INR 3,542.1 million in the year ended March 31, 2019, as compared to net cash used in operating activities of INR 881.9 million in the year ended March 31, 2018, an increase in cash usage of INR 2,656.2 million in the year ended March 31, 2019. Our net loss adjusted for interest, tax, amortization and depreciation and other non-cash items was INR 1,079.8 million in the year ended March 31, 2019. Further, in the year ended March 31, 2019, there was an increase in our working capital of INR 2,217.2 million, as compared to a decrease in working capital of INR 1,069.9 million in the year ended March 31, 2018. The increase in working capital in the year ended March 31, 2019 was primarily due to INR 1,316.4 million increases in trade and other receivables and INR 920.9 million decreases in trade and other payables. The working capital decrease in the year ended March 31, 2018 was primarily due to INR 1,898.7 million increases in trade and other payables. The increase in trade and other payables was partially offset by an increase in trade and other receivables of INR 824.9 million due to an increase in the volume of our business.

Net cash from/(used in) investing activities.

During the year ended March 31, 2020, cash from investing activities was INR 96.6 million, as compared to cash used in investing activities was INR 650.3 million in the year ended March 31, 2019. During the year ended March 31, 2020, we redeemed INR 291.5 million in term deposits with banks, invested an incremental INR 219.3 million in property plant and equipment and in software and technology related development projects, and invested INR 3.5 million in our joint venture. We also received interest on our term deposits of INR 4.6 million in the year ended March 31, 2020, as compared to INR 10.5 million in the year ended March 31, 2019.

During the year ended March 31, 2019, cash used in investing activities was INR 650.3 million, as compared to cash from investing activities was INR 1,221.1 million in the year ended March 31, 2018. During the year ended March 31, 2019, we redeemed INR 6.4 million in term deposits with banks, invested an incremental INR 424.3 million in property plant and equipment and in software and technology-related development projects, and INR 253.4 million for acquisition of ATB business. We also received interest on our term deposits of INR 10.5 million in the year ended March 31, 2019, as compared to INR 6.9 million in the year ended March 31, 2018.

Net cash from financing activities.

During the year ended March 31, 2020, cash used in financing activities was INR 333.5 million, primarily as a result of repayment of borrowings of INR 342.6 million. Our net proceeds from invoice discounting was INR 251.9 million. Further, we made payments of INR 225.9 million as interest on bank overdrafts, interest on lease liability, vehicle loans and Payment of principal portion of lease liabilities etc.

During the year ended March 31, 2019, cash from financing activities was INR 2,904.6 million, primarily as a result of the issue of share capital of INR 3,563.5 million and repayment of borrowings of INR 526.7 million. Further, we made payments of INR 132.4 million as interest on term loans, bank overdrafts and vehicle loans.

Capital Expenditures

We have historically financed our capital expenditure requirements with cash flows from operations, as well as through the sale of our common and convertible preferred shares.

We made capital expenditures of INR 437.2 million and INR 899.3 million in fiscal years 2020 and 2019, respectively. In addition, we expect to spend an additional approximately INR 75 million to INR 100 million on capital expenditures during fiscal year 2021. Our capital expenditures have in principle consisted of purchases of servers, workstations, computers, computer software, leasehold improvements and other items related to our technology platform and infrastructure, upgrading of our websites, creation of intangible software, and mobile platforms.

Off-Balance Sheet Arrangements

As of March 31, 2020, Yatra India had obtained INR 103.72 million in bank guarantees from ICICI and ATB had also obtained INR 172.56 million in bank guarantees from ICICI Bank Limited and insurance of INR 281.94 million from IFFCO Tokio GIC in favor of the International Air Transport Association, against any payment default by us to all airlines participating in the International Air Transport Association's bill settlement plan. During financial year 2019-20, ATB had also obtained INR 0.30 million bank guarantee from ICICI Bank Limited in favour of one of the Customer. ATB had pledged FDR totaling INR 34.81 million for providing Bank Guarantees. Additionally, Yatra India had pledged deposits totaling INR 31.36 million for the purpose of providing guarantees to various Hotels and Packages suppliers.

As of March 31, 2019, Yatra India had obtained INR 1,141.2 million in bank guarantees from ICICI and ATB had also obtained INR 93.06 million in bank guarantees from ICICI Bank Limited and insurance of INR 217.72 million from IFFCO Tokio GIC in favor of the International Air Transport Association, against any payment default by us to all airlines participating in the International Air Transport Association's bill settlement plan. Additionally, Yatra India had pledged deposits totaling INR 31.1 million for the purpose of providing guarantees to various Hotels and Packages suppliers.

As of March 31, 2018, Yatra India had obtained INR 1,070.2 million in bank guarantees from ICICI and ATB had also obtained INR 64.27 million in bank guarantees from State Bank of India and insurance of INR 220 million from IFFCO Tokio GIC in favor of the International Air Transport Association, against any payment default by us to all airlines participating in the International Air Transport Association's bill settlement plan. Additionally, Yatra India and ATB had pledged deposits totaling INR 26.2 million for the purpose of providing guarantees to various Hotels and Packages suppliers.

In fiscal year 2019, Yatra Online Private Limited (Yatra India) has entered into a debenture subscription agreement with BCCL, which agreed to subscribe to a non-convertible debenture for an aggregate consideration of subscription amount of INR 195,000 while the Company agreed to issue and allot the same aggregate principal amount of non-convertible debentures to BCCL in a private placement. Non-convertible debentures (NCD) allotted to BCCL shall be redeemed at the redemption amount of INR 214,500 being the sum of NCD Subscription Amount and the NCD Interest. The Company also entered into an advertisement agreement with BCCL wherein the Company has paid a deposit of a similar amount to BCCL. This deposit will be used for payments to be made in relation to advertisements released in properties owned and managed by BCCL.

Apart from the foregoing, we do not have any outstanding off-balance sheet derivative financial instruments, guarantees, interest rate swap transactions or foreign currency forward contracts. We do not engage in trading activities involving non-exchange traded contracts.

Contractual Obligations

Our contractual obligations as of March 31, 2020 are summarized below:

Contractual Obligations (Amount in INR thousands)	Fiscal Year Ended March 31, 2020				
	Total	Less than 1 Year	1 - 3 Year	3 - 5 Year	More than 5 Year
Operating expenditures**	105,000	105,000	—	—	—
Vehicle loan	44,061	18,420	25,641	—	—
Lease liability	900,238	121,171	353,051	192,381	233,634
Lease—short term	139	139	—	—	—
Total	1,049,438	244,730	378,692	192,381	233,634

* Contractual commitments for capital expenditure relate to acquisition of computer software and websites, office equipment and furniture and fixtures.

** Contractual commitments for operating expenditure relate to advertisement services.

Quantitative and Qualitative Disclosures about Market Risk

The company's activities are exposed to variety of financial risk: credit risk, foreign currency risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The company reviews and agrees on policies for managing each of these risks which are summarized below:

Credit Risk. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. See Note 40 to our 2020 Consolidated Financial Statements for additional information relating to our exposure to credit risk.

Liquidity Risk. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, we aim to maintain flexibility in funding by maintaining sufficient amounts in certificates of deposits with banks and keeping committed credit lines available.

The Group manages liquidity by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. Based on our past performance and current expectations, we believe that the cash and cash equivalent and cash generated from operations will satisfy the working capital needs, funding of operational losses, capital expenditure, commitments and other liquidity requirements associated with our operations through at least the next 12 months. In addition, there are no transactions, arrangements and other relationships with any other person that are reasonably likely to materially affect the availability of the requirement of capital resources. See Note 40 to our 2020 Consolidated Financial Statements for additional information relating to our exposure to liquidity risk.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group operates through subsidiaries in India, Singapore and United States. The functional currency of these

subsidiaries is the local currency in the respective countries and accordingly there are no related significant foreign currency exposures. The Company currently does not have any hedging agreements or similar arrangements with any counter-party to cover its exposure to any fluctuations in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating transactions which are denominated in currency other than subsidiary's functional currency (foreign currency denominated receivables and payables). See Note 40 to our 2020 Consolidated Financial Statements for sensitivity analysis relating to our exposure to foreign risk.

New Accounting Standards and Interpretations Issued But Not Yet Effective as at March 31, 2020

The new standards, interpretations and amendments to Standards that are issued to the extent relevant to the Group, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these Standards, if applicable, when they become effective.

Definition of a Business—Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies in a timely manner. The amendments could also be relevant in other areas of IFRS (e.g., they may be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture).

The amendment will apply to the Company effective April 1, 2020 and has to be applied prospectively. Hence there is no impact on the consolidated financial statement.

Definition of Material—Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

The amendments are effective for annual periods beginning on or after 1 January 2020, though early application is permitted.

The Group does not expect the amendment to have any material impact on our evaluation of materiality in relation to our financial statements.

Classification of Liabilities as Current or Non-current- Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual periods beginning on or after 1 January 2022. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Covid-19-Related Rent Concessions—Amendment to IFRS 16

Effective for annual periods beginning on or after 1 June 2020.

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).
- There is no substantive change to other terms and conditions of the lease.

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

A lessee will apply the amendment for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at May 28, 2020.

Certain Non-IFRS Measures

As certain parts of our revenue are recognized on a "net" basis and other parts of our revenue are recognized on a "gross" basis, we evaluate our financial performance based on Adjusted Revenue, which is a non-IFRS measure. Effective April 1, 2018, we adopted the new revenue recognition standard, IFRS 15, under which promotional expenses in the nature of customer inducement/acquisition costs for acquiring customers and promoting transactions across various booking platforms, such as

upfront incentives and loyalty programs cost, some of which, when incurred were previously recorded as marketing and sales promotion costs, are now being recorded as a reduction of revenue.

We believe that Adjusted Revenue provides investors with useful supplemental information about the financial performance of our business and more accurately reflects the value addition of the travel services that we provide to our customers. The presentation of this non-IFRS information is not meant to be considered in isolation or as a substitute for our unaudited condensed consolidated financial results prepared in accordance with IFRS as issued by the International Accounting Standards Board, or IASB. Our Adjusted Revenue may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

The following table reconciles our revenue, which is an IFRS measure, to Adjusted Revenue, which is a non-IFRS measure:

Amount in INR thousands except %	Fiscal Year Ended March 31,											
	Air ticketing			Hotel and Packages			Others			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Revenue	5,012,931	3,449,265	2,609,518	6,628,236	4,914,420	3,601,798	607,346	994,895	1,048,039	12,248,513	9,358,580	7,259,355
Add. Customer promotional expenses	—	2,258,887	1,348,472	—	1,248,506	105,736	—	64,058	32,163	—	3,571,451	1,486,371
Service cost	—	—	—	(4,930,757)	(4,282,803)	(2,922,929)	—	—	—	(4,930,757)	(4,282,803)	(2,922,929)
Other Income	—	—	—	—	—	—	—	—	—	90,001	263,785	159,631
Adjusted Revenue	<u>5,012,931</u>	<u>5,708,152</u>	<u>3,957,990</u>	<u>1,697,479</u>	<u>1,880,123</u>	<u>784,605</u>	<u>607,346</u>	<u>1,058,953</u>	<u>1,080,202</u>	<u>7,407,757</u>	<u>8,911,013</u>	<u>5,982,428</u>
% of revenue	100.0%	100.0%	100.0%	25.6%	30.5%	21.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In addition to referring to Adjusted Revenue, we also refer to Adjusted EBITDA Loss, Adjusted Results from Operations, Adjusted Loss for the Period and Adjusted Basic and Adjusted Diluted Loss Per Share which are also non-IFRS measures. For our internal management reporting, budgeting and decision making purposes, including comparing our operating results to that of our competitors, these non-IFRS financial measures exclude employee share-based compensation cost, re-measurement of contingent consideration, *impairment of goodwill* and change in fair value of warrants.

Our non-IFRS financial measures reflect adjustments based on the following:

- **Employee share-based compensation cost:** The compensation cost to be recorded is dependent on varying available valuation methodologies and subjective assumptions that companies can use while valuing these expenses especially when adopting IFRS 2 "Share-based Payment". Thus, the management believes that providing non-IFRS financial measures that exclude such expenses allows investors to make additional comparisons between our operating results and those of other companies.
- **Change in fair value of warrants:** Consequent to consummation of the business combination, the Company assumed 34.67 million warrants having a right to subscribe for 17.33 million ordinary shares of the Company and the warrants issued to the Silicon Valley Bank and Macquarie Corporate Holdings PTY Limited. The accounting guidance requires that we record any change in the fair value of these warrants in consolidated statement of profit or loss and other comprehensive loss. We have excluded the effect of the implied fair value changes in calculating our non-IFRS financial measures.
- **Re-measurement of contingent consideration:** The contingent consideration relates to the payment to be made under business combination agreement, based on the certain performance conditions of the acquired business. This is due for final measurement and payment to the Sellers in the ATB transaction.
- **Impairment of goodwill:** The impairment cost to be recorded is dependent on varying available valuation methodologies and subjective assumptions that companies can use while valuing the fair value of the assets on the balance sheet date. Thus, the management believes that providing non-IFRS financial measures that exclude such expenses allows investors to make additional comparisons between our operating results and those of other companies.

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We evaluate the performance of our business after excluding the impact of above measures and believe it is useful to understand the effects of these items on our results from operations, loss for the period and basic and diluted loss per share. The presentation of these non-IFRS measures is not meant to be considered in isolation or as a substitute for our unaudited condensed consolidated financial results prepared in accordance with IFRS as issued by the IASB. These non-IFRS measures may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

A limitation of using Adjusted EBITDA Loss, Adjusted Results from Operations, Adjusted Loss for the Period and Adjusted Basic and Adjusted Diluted Loss Per Share as against using the measures in accordance with IFRS as issued by the IASB are that these non-IFRS financial measures exclude share-based compensation cost, re-measurement of contingent consideration, *impairment of goodwill*, change in fair value of warrants and depreciation and amortization in case of Adjusted EBITDA Loss. Management compensates for this limitation by providing specific information on the IFRS amounts excluded from Adjusted EBITDA Loss, Adjusted Results from Operations, Loss for the Period and Adjusted Basic and Adjusted Diluted Loss Per Share.

The following table reconciles our Profit/(loss) (an IFRS measure) to Adjusted EBITDA (Loss) (a non-IFRS measure) for the periods indicated:

Reconciliation of Adjusted EBITDA (Loss) (Amount in thousands)	Fiscal Year ended March 31,		
	2018	2019	2020
Loss for the period as per IFRS	(4,051,976)	(1,193,595)	(840,195)
Employee share-based compensation costs	729,920	282,883	5,135
Depreciation & Amortization	425,600	581,746	666,369
Share of loss of joint venture	10,559	12,772	10,784
Finance income	(91,912)	(41,310)	(58,641)
Finance costs	153,056	263,290	193,287
Change in fair value of warrants	563,253	(1,667,193)	(94)
Remeasurement of contingent consideration	294,344	485,282	(390,009)
Impairment of goodwill	—	—	221,999
Income tax expense/(credit)	56,887	47,837	69,805
Adjusted EBITDA (Loss)	(1,910,269)	(1,228,288)	(121,560)

The following table reconciles our results from operations (an IFRS measure) to Adjusted Results from Operations (a non-IFRS measure) for the periods indicated:

Reconciliation of Adjusted Results from Operations (Amount in thousands)	Fiscal Year ended March 31,		
	2018	2019	2020
Results from operations (as per IFRS)	(3,360,133)	(2,578,199)	(625,054)
Employee share-based compensation costs	729,920	282,883	5,135
Remeasurement of contingent consideration	294,344	485,282	(390,009)
Impairment of goodwill	—	—	221,999
Adjusted Results from Operations	(2,335,869)	(1,810,034)	(787,931)

* Does not include "Share of loss of joint venture."

The following table reconciles profit/(loss) for the period (an IFRS measure) to Adjusted Loss for the Period (a non-IFRS measure) for the periods indicated:

Reconciliation of Adjusted Loss (Amount in thousands)	Fiscal Year ended March 31,		
	2018	2019	2020
Loss for the period (as per IFRS)	(4,051,976)	(1,193,595)	(840,195)
Employee share-based compensation costs	729,920	282,883	5,135
Net change in fair value of warrants	563,253	(1,667,193)	(94)
Remeasurement of contingent consideration	294,344	485,282	(390,009)
Impairment of goodwill	—	—	221,999
Adjusted Loss for the Period	(2,464,459)	(2,092,623)	(1,003,164)

The following table reconciles basic and diluted earnings/(loss) per share (an IFRS measure) to Adjusted Basic and Diluted Loss Per Share (a non-IFRS measure) for the periods indicated:

Reconciliation of Adjusted Basic Loss (Per Share)	Fiscal Year ended March 31,		
	2018	2019	2020
Basic loss per share (as per IFRS)	(116.41)	(26.37)	(17.94)
Employee share-based compensation costs	20.91	6.41	0.11
Net change in fair value of warrants	16.42	(38.29)	—
Remeasurement of contingent consideration	8.43	10.98	(8.27)
Impairment of goodwill	—	—	4.71
Adjusted Basic loss Per Share	(70.65)	(47.28)	(21.39)

Reconciliation of Adjusted Diluted Loss (Per Share)	Fiscal Year ended March 31,		
	2018	2019	2020
Basic loss per share (as per IFRS)	(116.41)	(26.95)	(17.94)
Employee share-based compensation costs	20.91	6.39	0.11
Net change in fair value of warrants	16.42	(37.65)	—
Remeasurement of contingent consideration	8.43	10.96	(8.27)
Impairment of goodwill	—	—	4.71
Adjusted Basic loss Per Share	(70.65)	(47.25)	(21.39)

Safe Harbor

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and as defined in the Private Securities Litigation Reform Act of 1995. See "Special Note Regarding Forward-Looking Statements."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information of our executive officers, directors and other key officers of the Company, and their ages as of March 31, 2020. Unless otherwise stated, the address for our directors and officers is Gulf Adiba, Plot No. 272, 4th Floor, Udyog Vihar, Phase II, Sector—20, Gurugram, Haryana—122008, India. .

Name	Age	Position
Dhruv Shringi	46	Chief Executive Officer and Class III Director
Anuj Kumar Sethi(4)	52	Principal Financial Officer and Principal Accounting Officer
Manish Amin	54	Chief Information and Technology Officer
Sean Aggarwal(1)	54	Non-Executive Class I Director
Neelam Dhawan(3)	60	Non-Executive Class I Director
Sanjay Arora(1)(2)(3)	52	Non-Executive Class II Director
Murlidhara Lakshmikantha Kadaba(1)(2)(3)	58	Non-Executive Class II Director
Sudhir Kumar Sethi(2)(3)	62	Chairman of the Board and Non-Executive Class III Director

- (1) Member of the audit committee.
- (2) Member of the compensation committee.
- (3) Member of nominating and corporate governance committee.

- (4) Mr. Anuj Kumar Sethi is not a member of the Executive Management.

Executive Officers

Dhruv Shringi. Mr. Shringi is our co-founder and has served as our Chief Executive Officer since June 2008 and as a member of our board of directors since December 2005. Prior to joining our company, Mr. Shringi was Director of Group Operations and Technology of the Ebookers Group in London from October 2003 to June 2005. From February 2002 to September 2003 Mr. Shringi served in the Strategy and Business Development team at Ford Motor Company in the UK, and from May 1994 to October 2000, he worked in the Audit & Business Consulting team of Arthur Anderson in their offices in India and London. He holds a B.Com (Hons.) degree from Delhi University, a Master of Business Administration degree from INSEAD and is also a qualified chartered accountant. We believe Mr. Shringi is qualified to serve on our board of directors because of his extensive knowledge of the travel industry and his experience as our Chief Executive Officer.

Manish Amin. Mr. Amin is our co-founder and has served as our Chief Information Officer since January 2006. He also serves as a director of Air Travel Bureau Private Limited, Yatra Hotel Solutions Private Limited and Middle East Travel Management Company Pvt. Ltd., which are subsidiaries of Yatra India, and Adventure and Nature Network Private Limited, which is a joint venture of Yatra India. Prior to joining our company, Mr. Amin worked at Ebookers from June 1990 to November 2005 where his last role was Head of Technology Infrastructure. He holds a BTEC Higher National Diploma from South Thames College, London.

Anuj Kumar Sethi. Mr. Sethi appointed as Company's Principal Financial Officer and Principal Accounting Officer effective from October 18, 2019. He also serves as a director of our subsidiaries Air Travel Bureau Private Limited, Asia Consolidated DMC Pte. Ltd., Yatra TG Stays Private Limited, and Travel.Co.In Private Limited (TCIL), which are subsidiaries of Yatra India, and Adventure and Nature Network Private Limited, which is a joint venture of Yatra India. Prior to joining our Company, Mr. Sethi was Sr. Director Finance at CWT India Private Ltd. He had worked with CWT India Private limited from April 2000 to December 2011. He holds a degree of Cost and Works Accountant and B.Com degree from Punjab University.

Non-Executive Directors

Murlidhara Lakshmikantha Kadaba. Mr. Kadaba has served as a non-executive member of our board of directors since November 2016. Mr. Kadaba is the Chairman and Managing Director of Moonbeam Capital, a proprietary venture capital firm focused on luxury, real estate and e-commerce ventures. Mr. Kadaba has over 25 years of banking experience, with proven expertise in general management, marketing and product development across consumer banking, wealth management, consumer lending and payment products. Before becoming an entrepreneur, he served as the Group President and Chief Executive Officer of Financial Services at Reliance Payments Solutions Limited. Prior to this, Mr. Kadaba worked for American Express for eight years where he was the country manager for India and area countries. He was responsible for launching Amex's Consumer banking franchise and several credit cards in India. Earlier, Mr. Kadaba was VP and Head of Investment Products at Citibank-India. Mr. Kadaba has served on the boards of Amcham and Financial Planning Standards Board. He is a member of the Advisory Board of Indian Institute of Learning Management (IILM), is an active member of YPO and a charter member of TIE. Amongst others, Mr. Kadaba is currently serving as a Board Member of Big Tree (bookmyshow.com), Yatra Online Private Limited and TV18 Home Shopping Network Limited. Mr. Kadaba is an alumnus of Xavier School of Management, Jamshedpur and is a graduate in Mechanical Engineering from Sri Jayachamarajendra, Mysore. Mr. Kadaba is well qualified to serve as a director given the breadth and depth of his experience as well as his capital markets expertise.

Sanjay Arora. Mr. Arora has served as a non-executive member of our board of directors since December 2016. Mr. Arora currently serves as a Managing Director of ATL Partners (ATL), a private equity firm based in New York which focuses on aerospace, transportation and logistics. Prior to joining ATL, Mr. Arora worked at Terrapin Partners, LLC (Terrapin Partners) from 2007 to 2017, where he focused on the firm's principal investment activities. From 2014 to 2016, Mr. Arora served as the CEO of Terrapin 3 (now known as Yatra USA Corp.), which, pursuant to the Business Combination, became our partially owned subsidiary in December 2016. In addition, from 2012 to 2017, Mr. Arora was the portfolio manager of the Terrapin Income and Credit Opportunities Fund, which specialized in making direct loans to small businesses. Prior to joining Terrapin Partners, Mr. Arora was a managing director at Deutsche Bank AG in Hong Kong, where he ran the firm's equity-linked origination business for Asia-Pacific from 2003 to 2005. Prior to this, from 1989 to 2003, Mr. Arora held a variety of positions in leveraged finance, derivatives, and equity capital markets at Bankers Trust and Deutsche Bank. Mr. Arora received a Master of Business Administration degree in finance from the University of Chicago and a BSc in economics from The London School of Economics. Mr. Arora is well qualified to serve as director due to his experience in capital markets and portfolio management.

Sudhir Kumar Sethi. Mr. Sethi has served as a non-executive member of our board of directors since March 2014. He is founder and chairman of Chiratae Ventures India Advisors Private Limited (Formerly known as IDG Ventures India Advisors Private Limited), in which role he has advised on investments in numerous companies the across digital consumer, enterprise software and healthcare sectors since 1998. In addition to leading Chiratae Ventures India Advisors Private Limited (Formerly known as IDG Ventures India Advisors Private Limited). He also served on the Executive Committee of Indian Venture Capital Association (IVCA), Investment Committee of UTI Ventures, on the Board of Ascent Capital, Advisory Board of Westbridge Capital and on the Board of Advisors at N.S. Raghavan Centre for Entrepreneurship, IIM Bangalore. He currently serves on the board of directors of several companies, including Brainbees Solutions Pvt. Ltd., Cure Fit Healthcare Pvt. Ltd. and Active Intelligence Pte Ltd and previously served on the board of directors of Myntra, which was acquired by Flipkart, and Manthan Systems. Mr. Sethi a B.Tech degree in engineering from IETE, Delhi and a Master of Business Administration degree from Faculty of Management Studies University, Delhi. Mr. Sethi is well qualified to serve as a director due to his extensive investment experience and his roles serving on the board of directors of other companies. Mr. Sethi has resigned from the Board effective June 30, 2020.

Sean Aggarwal. Mr. Aggarwal has served as a non-executive member of our board of directors since March 2018. He is a current board member of Lyft, Inc., Arlo, Inc. and the former CFO of Trulia, which he helped take public in 2012 and orchestrated its sale to Zillow Group Inc. in 2015. Prior to Trulia, Mr. Aggarwal held finance positions at Paypal Holdings Inc., eBay Inc., Amazon.com, Inc., PepsiCo, Inc. and Merrill Lynch Capital Markets. Mr. Aggarwal holds an MBA from Northwestern University's Kellogg School of Management. Mr. Aggarwal is well qualified to serve as a director due to his experience in capital markets and his role serving on the board of directors of another technology company.

Neelam Dhawan. Ms. Dhawan has served as a non-executive member of our board since January 2019. She has been a member of the Global Supervisory Board of Royal Philips, Netherlands since May 2012 and she joined the Board of ICICI Bank Limited in January 2018. In her previous positions, Ms. Dhawan was a Managing Director of both Microsoft and Hewlett Packard, in India, had been a member of NASSCOM's Executive Council from 2009 to 2017 and had made significant contributions to industry strategy and public policy frameworks. Ms. Dhawan also served as VP, Global Industries, Strategic Alliances & Inside Sales APAC & Japan, Hewlett Packard, Singapore from 2017-2018. Ms. Dhawan holds an MBA from the Faculty of Management Studies (FMS), Delhi, India. Ms. Dhawan is well qualified to serve as a director due to her professional experience in executive positions and her service on the board of directors of other companies.

B. Compensation

Non-Executive Director Compensation

We pay the reasonable costs and expenses incurred in connection with attending meetings of our board of directors and our committees. In fiscal years 2015 and 2016, we paid no cash compensation to our non-executive directors. Starting January 2017, we pay a \$15,000 annual base director's fee to each of our non-executive directors who are on the Board of the Company. Our non-executive directors who serve on our audit committee, compensation committee, and nominating and corporate governance committee will receive an additional cash retainer of \$10,000 per year for a membership in each of the above committees. We do not have service contracts with any of our non-executive directors that provide for benefits upon termination. Certain non-executive directors were also granted options to purchase 147,500 ordinary shares of the Company pursuant to the 2016 Stock Option and Incentive Plan. Mrs. Neelam Dhawan is entitled for an annual compensation of INR 3,500,000.

During the financial year ended March 31, 2020, the company had incurred an expense of \$125,342. During the financial year ended March 31, 2019, the company have paid \$126,616 to our non-executive directors towards their director fees and cash retainers for the calendar year ending December 2019.

Executive Director and Other Senior Management Compensation

The aggregate compensation, including benefits in kind, paid/accrued to our executive director and senior management for the year ended 2020, including benefits in kind but excluding any equity compensation, was INR 60.7 million. We have not set aside or accrued any amounts to provide pension, retirement or similar benefits for our executive directors or other senior management. We have employment agreements with our senior management and executive directors that provide for benefits upon termination. We have also granted share options to our executive directors. For option grants to senior management, see "—Share Options and Restricted Stock Awards" below.

Share Options and Restricted Stock Awards

The two equity incentive plans described in this section are the Yatra Online, Inc. 2006 India Share Plan, or the 2006 Plan, and the 2016 Stock Option and Incentive Plan, or the 2016 Plan. As part of the Business Combination, we have granted 2 million restricted stock awards (RSAs) to certain employees of the Company, out of which 74,458 RSAs vested through December 16, 2016 (these RSAs are subject to a repurchase right on proportional basis over a period of 2 years from the date of the award at a nominal amount). During the fiscal year 2018, the Company has modified the vesting condition such that one-quarter of the remaining unvested RSAs vested on June 30, 2017 and the remaining rest three-fourths of the RSA will thereafter vest in six equal quarterly installments, the final installment to vest on December 15, 2018. In connection with this change, these awards became Restricted Stock Units, or RSUs. During the fiscal year 2020, the Company deferred vesting of 643,147 RSUs until December 31, 2020, at which point they will vest in full. The vesting of these stock units will accelerate in full upon a Sale Event (as defined in the 2016 Stock Option and Incentive Plan).

The Company also granted 92,179 RSUs to certain individuals, including the employees of the Company, on February 2, 2017. These RSUs vested over a two-year period in equal quarterly installments, beginning May 31, 2017 and finishing on March 31, 2019.

The Company also granted 7,277 RSUs to certain employees of the Company on May 15, 2017. These RSUs vest in equal quarterly installments over four years, beginning on September 30, 2017 and finishing on June 30, 2021.

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The Company also granted 20,000 RSUs to an employee of the Company on November 14, 2017. These RSUs vest over a period of four years, with one-tenth vesting on February 1, 2018 equivalent and the remaining RSUs vesting thereafter in quarterly installments of one-twelfth of the initial grant.

The Company also granted 203,194 stock options to certain employees of the Company on November 14, 2017. These stock options vest over a four-year period in equal quarterly installments, beginning on February 1, 2018 and finishing on November 1, 2021.

The Company also granted 480,000 RSUs to certain employees of the Company on January 30, 2018. These RSUs vest over a period of one year in equal quarterly installments, beginning on April 1, 2018. During the fiscal year 2020, the Company deferred vesting of 263,115 RSUs until December 31, 2020, at which point they will vest in full.

The Company also granted 140,000 stock options to a non-executive director of the Company on February 21, 2018. These stock options vest over two years in equal monthly installments, beginning on March 1, 2018 and finishing on February 1, 2020. The vesting of these options will accelerate in full upon a Sale Event (as defined in the 2016 Stock Option and Incentive Plan).

The Company also granted 5,000 RSUs to an employee of the Company on March 23, 2018. One-quarter of these RSUs vested on April 1, 2018 and the remaining RSUs vest quarterly in installments of one-twelfth of the total RSUs, beginning on July 1, 2018 and finishing on April 1, 2021.

The Company also granted 21,769 stock options to certain employees of the Company on August 7, 2018. These stock options vest over a period of one year and four months in equal monthly installments commencing from first vesting on September 1, 2018 equivalent to one-sixteenth of the total number of stock options, with the last such vesting on June 1, 2022.

The Company also granted 7,500 stock options to a non-executive director of the Company on November 28, 2018. vest over a period of one year in equal monthly installments commencing from first vesting on January 1, 2019 equivalent to one-twelfth of the total number of stock options, with the last such vesting on December 1, 2019.

Subsequent to March 31, 2020, The Company has also granted 687,857 RSUs and 1,609,934 Performance Stock Units (PSUs) to certain employees of the Company in June, 2020. These RSUs will vest over a period of four years in equal monthly installments commencing from first vesting on July 1, 2020, with last such vesting on June 30, 2024. The vesting of the PSUs is linked to the performance of the Yatra share price and the trigger price points range from \$1.80 to \$10.00.

2006 Plan

Our board of directors adopted the 2006 Plan to attract and retain appropriate personnel in our employment, to incentive our employees and consultants and to promote the success of our business.

The 2006 Plan is administered by the compensation committee of our board of directors. Among other things, our compensation committee determines the terms and conditions of each option grant, including, but not limited to, the number of options, exercise price, vesting period, exercise period, the fair market value of ordinary shares, forfeiture provisions, adjustments to be made to the number of options and exercise price in the event of a change in capital structure or other corporate action, and satisfaction of any performance conditions.

We may grant awards to any of our employees, consultants or directors. The plan administrator determines the individuals eligible to participate in the 2006 Plan in accordance with criteria laid down by our board of directors from time to time. Under the 2006 Plan, we have granted 1,114,641 options to purchase our Ordinary Shares.

Upon the occurrence of a change of control of our company, the 2006 Plan provides that each outstanding option or share purchase right will be assumed, or an equivalent option or right will be substituted by the successor corporation or a parent or subsidiary of such successor corporation, unless the successor corporation does not agree to assume the award or to substitute an equivalent option or right, in which case such option or share purchase right will terminate upon the consummation of the change of control transaction. As on the date of this annual report, all the options granted under this plan are vested.

2016 Plan

On December 13, 2016, our board of directors approved the 2016 Plan and on December 15, 2016, our shareholders approved the 2016 Plan. The 2016 Plan enables our company to make equity based awards to its officers, employees, non-employee directors and consultants. The 2016 Plan provides for the grant of incentive share options, non-qualified share options, share appreciation rights, restricted share awards, restricted share units, unrestricted share awards, cash-based awards, performance share awards and dividend equivalent rights. As of March 31, 2020, we have reserved for issuance 8,943,801 authorized but unissued ordinary shares under the 2016 Plan, which shares are subject to an annual increase on January 1 of each year equal to three percent of the number of shares issued and outstanding on the immediately preceding December 31 or such lesser number of shares as determined by the administrator of the 2016 Plan. The 2016 Plan limits the number or value of shares that may be granted to any participant in any one calendar year, among other limits.

Cash Incentive Bonus Plan

On December 13, 2016, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by the compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, which we refer to as corporate performance goals, as well as individual performance objectives.

The compensation committee may select corporate performance goals from among the following: total shareholder return; gross booking value; Adjusted Revenue; EBITDA; share compensation expense; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our Ordinary Shares; economic value added; funds from operations or similar measure; sales, revenue or market share; acquisitions or strategic transactions; operating income (loss); cash flow (including, but not limited to, operating cash flow and free cash flow); return on capital, assets, equity or investment; return on sales, gross or net profit levels; productivity; expense margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share; and the number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.

As of March 31, 2020, no cash incentive bonus has been granted.

In addition to the Bonus Plan described above, each of our executive officers is also entitled to receive a performance-linked bonus, or PLB, as part of his remuneration, based on the attainment of certain specific performance goals. We have historically paid a PLB to our executive officers and certain other employees.

Outstanding Options

During the fiscal year 2020, we have granted Nil stock options (March 31, 2019: 7,500 and March 31, 2018: 140,000) to our directors and executive officers. As of March 31, 2020, 614,418 outstanding options were held by our directors and executive officers as set forth in the following table.

<u>Shares Underlying Outstanding Options</u>	<u>Exercise Price</u>	<u>Grant Date</u>	<u>Expiry Date</u>
63,604	\$ 5.42	March 20, 2011	March 17, 2021
191,042	\$ 4.34	August 1, 2014	July 29, 2024
75,829	\$ 7.81	February 21, 2018	February 20, 2022
1,875	\$ 5.50	November 28, 2018	December 27, 2022

Outstanding RSAs and RSUs

During the fiscal year 2017, 42,008 RSAs and 1,812,909 RSUs were granted, pursuant to the Business Combination agreement, to our directors and executive officers, of which 42,008 RSAs and 1,169,762 RSUs fully vested as of March 31, 2019. The outstanding RSAs and RSUs granted to our directors and executive officers as of March 31, 2020 are as set forth in the following table:

<u>Total RSAs Granted in Fiscal Year 2018</u>	<u>Shares Underlying Outstanding RSAs</u>	<u>Exercise Price</u>
42,008	—	—

<u>Total RSUs Granted in Fiscal Year 2018</u>	<u>Shares Underlying Outstanding RSUs</u>	<u>Exercise Price</u>
1,812,909	643,147*	—

* Vesting of these RSUs was deferred until December 31, 2020. Also, the vesting of these RSU's will accelerate in full upon a Sale Event (as defined in the 2016 Stock Option and Incentive Plan)

During the year ended March 31, 2018, 504,796 RSUs were granted under our 2016 plan to our directors and executive officers, of which 211,681 fully vested and 10,000 got cancelled as of March 31, 2019. The outstanding RSUs to our directors and executive officers as of March 31, 2020 are as set forth in the following table:

<u>Total RSUs Granted in Fiscal Year 2018</u>	<u>Shares Underlying Outstanding RSUs</u>	<u>Exercise Price</u>
504,796	263,115*	—

* Vesting of these RSU's was deferred until December 31, 2020. Also, the vesting of these RSUs will accelerate in full upon a Sale Event (as defined in the 2016 Stock Option and Incentive Plan)

Employee Benefit Plans

We maintain employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal years 2018, 2019 and 2020, the aggregate amount set aside or accrued by us to provide for pension or retirement benefits for all of our employees (including our directors and executive officers), which amount consists of the Provident Fund and gratuity disclosed below, was INR 131.6 million, INR 130.4 million and INR 112.3 million, respectively.

Provident Fund

In accordance with Indian law, all of our employees in India are entitled to receive benefits under the Employees' Provident Fund Scheme, 1952, as amended, a retirement benefit scheme under which an amount equal to 12% of the basic salary of an employee is contributed both by the employer and the employee in a government fund. We make a monthly deposit to a government fund and have contributed an aggregate of INR 105.0 million, INR 105.9 million and INR 86.7 million in fiscal years 2018, 2019 and 2020, respectively.

Gratuity

In accordance with Indian law, we pay gratuity to our eligible employees in India. Under our gratuity plan, an employee is entitled to receive a gratuity payment on the termination of his or her employment if the employee has rendered continuous service to our company for not less than five years, or if the termination of employment is due to death or disability. The amount of gratuity payable to an eligible employee is equal to 15 days' salary for every year of employment (or any portion of a year exceeding six months), and currently as per the Payment of Gratuity Act of 1972, the maximum amount of gratuity payable is INR 2 million. We have paid gratuity to our employees in the aggregate amount of INR 26.6 million, INR 24.6 million and INR 25.6 million in fiscal years 2018, 2019 and 2020, respectively.

Employment Agreements with Executive Officers

We have entered into employment agreements with certain of our key employees.

Mr. Shringi entered into an employment agreement with us on January 1, 2006. The agreement contains customary provisions regarding non-competition, non-solicitation, confidentiality of information and assignment of inventions. We and Mr. Shringi are each obligated to provide the other party with three months' written notice to terminate the employment relationship. Alternatively, in lieu of providing three months' notice, we may elect to pay Mr. Shringi a lump sum equal to his base salary for the notice period. Such notice period and termination benefits do not apply in the event that Mr. Shringi is terminated by us for any one of the reasons enumerated in the agreement.

Messrs. Amin have also entered into employment agreements with us, which agreements contain customary provisions regarding non-competition, non-solicitation, confidentiality of information and assignment of inventions. We and each of the executives are obligated to provide the other party with three months' written notice to terminate the employment relationship. Alternatively, in lieu of providing three months' notice, we may elect to pay the executive a lump sum equal to his base salary for the notice period. Such notice period and termination benefits do not apply in the event that such executive is terminated by us for any one of the reasons enumerated in the agreement. Mr. Vaish resigned as of October 11, 2019.

C. Board Practices

Board of Directors

Our board of directors is comprised of five directors, at least a majority of whom qualify as "independent" directors under the listing standards for independence of Nasdaq and Rule 10A-3 under the Exchange Act. Our board of directors has determined that the following directors are independent: Sanjay Arora, Murlidhara Lakshmikantha Kadaba, Sean Aggarwal and Neelam Dhawan. Upon consummation of the Business Combination, Mr. Arora was designated to serve as a member of our board of directors by the Terrapin Sponsors.

Our Articles of Association provide for a board of directors consisting of no less than one director, with all directors divided into three classes with staggered three-year terms. At each annual general

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meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election. Each director so elected will hold office until the annual general meeting of our shareholders for the year in which his or her term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless he or she resigns on his or her own or is removed from office as described below.

- the Class I directors are Sean Aggarwal and Neelam Dhawan and their terms will expire at our annual meeting of shareholders to be held in 2020;
- the Class II directors are Sanjay Arora and Murlidhara Lakshmikantha Kadaba, and their terms will expire at our annual meeting of shareholders to be held in 2021; and
- the Class III director is Dhruv Shringi and his term was to expire at our annual meeting of shareholders which was to be held in 2019. Mr. Sudhir Sethi has resigned from the Board effective June 30, 2020.

A director may be re-elected to serve for an unlimited number of terms. As a result of the staggered terms, not all of our directors will be elected in any given year.

The directors are appointed by the general meeting of shareholders. A director may be removed for cause by a resolution passed by a majority of the votes cast by those present in person or by proxy at a meeting and who are entitled to vote. Our board of directors may also, in certain circumstances, appoint additional directors. In addition, the Terrapin Sponsors and certain of our investors and executive officers, in certain circumstances, will have the right to designate individuals to be nominated for election to serve as our directors and to appoint at least one director to serve on each committee of our board of directors. Each of MIHI LLC and the Terrapin Sponsors shall also have the right to designate one representative to attend our board meeting in a nonvoting observer capacity. MIHI LLC and the Terrapin Sponsors shall cease to have board observation rights when they no longer own at least 5% of our outstanding ordinary shares.

As of March 31, 2020, consistent with our home country practice, we determined not to hold annual general meetings. We have not held an annual general meeting since our December 12, 2018 annual general meeting and board members whose three-year term would have otherwise expired will continue in their positions as directors until our next annual general meeting is held.

The primary responsibility of the executive director, Dhruv Shringi, is to manage our company. The primary responsibility of the non-executive directors is to supervise the policies of the executive director and senior management and the affairs of our company and our affiliated enterprises. In addition, the non-executive directors assist the executive director and senior management by providing advice.

Executive officers are selected by and serve at the discretion of the board of directors.

Committees of the Board of Directors

We have an audit committee, a compensation committee and a nominating and corporate governance committee. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

The current members of our audit committee are Murlidhara Kadaba, Sanjay Arora and Sean Aggarwal with Mr. Kadaba serving as its chairman. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq and all members of our audit committee are "independent" as that term is defined in the Nasdaq

Listing Rules. Our board of directors has determined that Murlidhara Kadaba is an "audit committee financial expert" as defined under the applicable rules of the SEC. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and Nasdaq. Our audit committee's responsibilities include:

- overseeing our corporate accounting and financial reporting process;
- evaluating the independent auditors' qualifications, independence and performance;
- determining the engagement of the independent auditors;
- reviewing and approving the scope of the annual audit and the audit fee;
- discussing with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements;
- approving the retention of the independent auditors to perform any proposed permissible non-audit services;
- monitoring the rotation of partners of the independent auditors on our engagement team as required by law;
- reviewing our critical accounting policies and estimates;
- overseeing our internal audit function; and
- annually reviewing the audit committee charter and the audit committee's performance.

The audit committee operates under a written charter adopted by our board of directors, a current copy of which is available on our website at www.yatra.com.

Compensation Committee

The current members of our compensation committee are Neelam Dhawan, Murlidhara Kadaba and Sanjay Arora. Our board of directors has determined that all members of our Compensation Committee are "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act and "outside directors" for purposes of Section 162(m) of the Code. Our compensation committee reviews and recommends policies relating to compensation and benefits of its officers and employees. The compensation committee's responsibilities include:

- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer;
- evaluating the performance of our chief executive officer in light of those goals and objectives;
- setting the compensation of our chief executive officer based on such evaluations;
- determining the compensation of all our executive officers other than the chief executive officer and reviewing periodically the aggregate amount of compensation being paid or potentially payable to the Company's officers;
- reviewing and making recommendations to the board with regard to incentive-based compensation plans and equity-based plans for the Company's executive officers; and
- reviewing and evaluating, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter.

The compensation committee operates under a written charter adopted by our board of directors, a current copy of which is available on our website at www.yatra.com.

Nominating and Corporate Governance Committee

The current members of our nominating and corporate governance committee are Sanjay Arora, Murlidhara Kadaba and Ms. Neelam Dhawan with Mr. Kadaba serving as its chairman. The nominating and corporate governance committee's responsibilities include:

- making recommendations to our board of directors regarding candidates for directorships and the structure and composition of our board of directors;
- recommending to the board criteria for board and committee membership;
- developing and recommending to the board a set of corporate governance guidelines applicable to the Company, periodically reviewing such guidelines and recommending any changes thereto;
- overseeing the evaluation of the board and management;
- reporting and making recommendations to our board of directors concerning governance matters; and
- reviewing and evaluating, at least annually, the performance of the nominating and corporate governance committee.

The nominating and corporate governance committee operates under a written charter adopted by our board of directors, a current copy of which is available on our website at www.yatra.com.

Foreign Private Issuer Exemptions

We are a "foreign private issuer" under the securities laws of the United States and the rules of the Nasdaq. Under the securities laws of the United States, "foreign private issuers" are subject to different disclosure requirements than U.S. domiciled registrants. We intend to take all actions necessary to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and Nasdaq's listing standards. Under the Nasdaq rules, a "foreign private issuer" is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the Nasdaq permit a "foreign private issuer" to follow its home country practice in lieu of the listing requirements of Nasdaq. Accordingly, in the future you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance requirements.

Corporate Governance Guidelines

Our board of directors has approved a set of general guidelines that provide the framework for our corporate governance. The board will review these guidelines and other aspects of our corporate governance periodically, as necessary. Our Corporate Governance Guidelines can be found on our website at www.yatra.com.

Code of Business Conduct and Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics, or the Code of Conduct. Our Code of Conduct documents the principles of conduct and ethics to be followed by our directors, officers and employees when conducting our business and performing their day-to-day duties. The purpose of our Code of Conduct is to promote honest and ethical conduct, compliance with applicable governmental rules and regulations, prompt internal reporting of violations of the Code of Conduct and a culture of honesty and accountability. A copy of the Code of Conduct has been provided to each of our directors, officers and employees who are required to acknowledge that they have received and will comply with the Code of Conduct. We intend to disclose any material amendments to the code, or any waivers of its requirements, in our public SEC filings and/or on our

website in accordance with applicable SEC and Nasdaq rules and regulations. Our Code of Conduct can be found on our website at www.yatra.com.

Disclosure Committee

We maintain a disclosure committee consisting of members of our executive management. The purpose of the disclosure committee is to oversee our system of disclosure controls and assist and advise the Chief Executive Officer and Principal Financial Officer and Principal Accounting Officer in making the required certifications in SEC reports. The disclosure committee was established to bring together on a regular basis representatives from our key business units and employees involved in the preparation of our financial statements to discuss any issues or matters of which the members are aware that should be considered for disclosure in our public SEC filings and review our draft periodic SEC reports prior to filing. The disclosure committee reports to our Chief Executive Officer and Principal Financial Officer and Principal Accounting Officer.

D. Employees

See "Item 4. Information on the Company—B. Business Overview—Employees."

E. Share Ownership

The following table sets forth the beneficial ownership of:

- each person who, to our knowledge, is the beneficial owner of more than 5% of our outstanding share capital;
- each of our present directors;
- each of our executive officers serving during the 2020 fiscal year; and
- all of our current directors and executive officers as a group.

Beneficial ownership has been determined as of March 31, 2020. Except as otherwise indicated, each person or entity named in the table is expected to have sole voting and investment power with respect to all shares attributable to such person. Beneficial ownership for the purposes of this table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we included shares issuable pursuant to options and/or warrants held by that person that are currently exercisable or that are exercisable within 60 days. These shares, however, were not deemed outstanding for the purpose of computing the percentage ownership of any other person.

The information presented in the table below is based on 46,365,165 of our Ordinary Shares issued and outstanding on March 31, 2020 and assumes the conversion into Ordinary Shares of all (i) Yatra

USA Class F Shares, (ii) Class A non-voting Shares, (iii) Class F Shares and (iv) all convertible shares held at the subsidiary level that are convertible into our Ordinary Shares.

Name of Beneficial Owners(1)	Number of Shares Beneficially Owned	Percentage of Outstanding Shares
5% Shareholders:		
Entities Affiliated with Nathan Leight(2)	7,579,567	15.15%
Macquarie Group Limited(3)	6,099,105	12.43%
Entities Affiliated with Altai Capital Management, LLC(4)	4,876,755	10.52%
RCH Ltd.(5)	3,783,948	7.55%
Entities Affiliated with Vincent C. Smith(6)	2,757,571	5.95%
Entities Affiliated MAK Capital One L.L.C.(7)	2,731,761	5.89%
E-18 Limited & Capital18 Fincap Private Limited(8)	2,496,165	5.38%
Entities Affiliated with Norwest Venture Partners(9)	2,392,168	5.16%
Executive Officers and Directors:		
Dhruv Shringi(10)	705,731	1.87%
Manish Amin(11)	697,957	1.51%
Sean Aggarwal(12)	140,000	*
Sudhir Kumar Sethi(13)	—	—
Murlidhara Lakshmikantha Kadaba	—	—
Sanjay Arora(14)	194,226	*
Neelam Dhawan(15)	7,500	*
All directors and officers as a group (7 persons)	1,745,414	3.73%

* Less than 1 percent.

- (1) Unless otherwise noted, the business address of each of the persons and entities listed above is c/o Yatra Online, Inc., Gulf Adiba, Plot No. 272, 4th Floor, Udyog Vihar, Phase II, Sector—20, Gurugram, Haryana—122008, India , India.
- (2) Based on the Schedule 13G and the Schedules 13G/A filed with the SEC by Apple Orange LLC, Leight Family 1998 Irrevocable Trust, Argyle Investors LLC, Candlemaker Partners LLLP, We Deserve Better, LLC and Nathan Leight on December 27, 2016, January 11, 2017, February 14, 2018 and February 14, 2019, respectively. Consists of (i) 395,000 Ordinary Shares, warrants to purchase 3,668,290 Ordinary Shares, 1,933,439 Yatra USA Class F Shares (each exchangeable for one Ordinary Share at any time at the option of the holder) and 1,933,439 Class F Shares (each convertible into 0.00001 of an Ordinary Share upon the exchange of a parallel Yatra USA Class F Share), held by Apple Orange LLC, Terrapin Partners Employee Partnership 3, LLC and Terrapin Partners Green Employee Partnership LLC; (ii) 550,000 Ordinary Shares held by Argyle Investors LLC; (iii) 327,000 Ordinary Shares held by Candlemaker Partners, LLLP; (iv) 557,500 Ordinary Shares held by the Leight Family 1998 Irrevocable Trust; (v) 158,500 Ordinary Shares held by We Deserve Better, LLC; and (vi) 3,000 Ordinary Shares held by Nathan Leight. Mr. Leight is the sole managing member of Apple Orange LLC, Candlemaker Management LLC, which is the general partner of Candlemaker LLLP, and We Deserve Better, LLC and has sole voting and dispositive control over securities held by Apple Orange LLC, Candlemaker LLLP and We Deserve Better, LLC. Mr. Leight's children are the beneficiaries of the Leight Family 1998 Irrevocable Trust and his wife is the trustee. The Leight Family 1998 Irrevocable Trust is the sole managing member of Argyle Investors LLC and has sole voting and dispositive control over the securities held by Argyle Investors LLC. The business address for each of these entities and Mr. Leight is 60 Edgewater Drive, Unit TSK, Coral Gables, Florida 33133.
- (3) Consists of (i) 324,355 Ordinary Shares and warrants to purchase 46,458 Ordinary Shares held by Macquarie Corporate Holdings Pty Limited and (ii) 2,000,000 Ordinary Shares, 22,500 Yatra USA

Class F Shares (each exchangeable for one Ordinary Share at any time at the option of the holder), 22,500 Class F Shares (each convertible into 0.00001 of an Ordinary Share upon the exchange of a parallel Yatra USA Class F Share) and warrants to purchase 2,645,000 Ordinary Shares held by MIHI LLC. MIHI LLC is an affiliate of Macquarie and Macquarie Capital. Macquarie Group Limited is the ultimate indirect parent of each of Macquarie Corporate Holdings Pty. Limited and MIHI LLC and may be deemed to beneficially own the company's shares held by them. The business address of Macquarie Group Limited is 50 Martin Place Sydney, New South Wales, Australia. The business address of Macquarie Corporate Holdings Pty. Limited is Level 6, 50 Martin Place, Sydney NSW 2000, Australia. The business address of MIHI LLC is 125 West 55th Street, L-22, New York, New York 10019.

- (4) Based on Schedule 13G and the Schedule 13G/A filed with the SEC by Altai Capital Management, L.P. ("Investment Manager"), Altai Capital Management, LLC ("IMGP") and Rishi Bajaj on July 2, 2018, February 14, 2019 and February 13, 2020, respectively. Consists of 4,876,755 Ordinary Shares held for the account of Altai Capital Osprey, LLC ("Osprey") and accounts separately managed by Investment Manager (the "Separately Managed Accounts"). Investment Manager serves as investment manager to each of Osprey and the Separately Managed Accounts. Each of Investment Manager, IMGP and Mr. Bajaj may be deemed to have voting and dispositive power over the Ordinary Shares held for the account of Osprey and the Separately Managed Accounts. The business address of Investment Manager, IMGP and Mr. Bajaj is 4675 MacArthur Court, Suite 590, Newport Beach, California 92660.
- (5) Based on Schedule 13G and the Schedule 13G/A filed with the SEC on November 13, 2018 and February 14, 2019, respectively, by each of (i) RCH Ltd. ("RCH"), (ii) Platinum Equity Capital Partners International III (Cayman), L.P. ("PECPI III"), (iii) Platinum Equity Partners International III (Cayman), L.P. ("PEPI III"), (iv) Platinum Equity Investment Holdings III (Cayman), LLC ("PEIH III (Cayman)"), (v) Platinum Equity Investment Holdings III, LLC ("PEIH III LLC"), (vi) Platinum Equity Investment Holdings III Manager, LLC ("PEIH III Manager"), (vii) Platinum Equity InvestCo, L.P. ("PEI LP"), (viii) Platinum Equity Investment Holdings IC (Cayman), LLC ("PEIH IC (Cayman)"), (ix) Platinum Equity Investment Holdings, LLC ("PEIH LLC"), (x) Platinum InvestCo, LLC ("PI LLC"), (xi) Platinum InvestCo (Cayman), LLC ("PI (Cayman) LLC"), (xii) Platinum Equity, LLC ("Platinum Equity") and (xiii) Tom Gores (together, the "Platinum Entities"). Consists of 3,783,948 Ordinary Shares underlying warrants held by RCH. Each of PECPI III, PEPI III, PEIH III (Cayman), PEIH III LLC, PEIH III Manager, PEI LP, PEIH IC (Cayman), PEIH LLC, PI (Cayman) LLC, Platinum Equity and (xiii) Mr. Gores may be deemed to beneficially own the shares held by RCH. PI LLC is not deemed to beneficially own the shares held by RCH. The business address of the Platinum Entities is 360 N. Crescent Drive, South Building, Beverly Hills, CA 90210.
- (6) Based on Schedule 13G filed with the SEC by LB2, LLC ("LB2"), Teach a Man to Fish Foundation ("TAMF") and Vincent C. Smith on February 14, 2019. Consists of 131,818 Ordinary Shares held by LB2, 390,154 Ordinary Shares held by TAMF, and 2,235,559 Ordinary Shares held by Mr. Smith. Mr. Smith is also deemed to beneficially own the Ordinary Shares held by LB2 and TAMF. The business address of LB2, TAMF and Mr. Smith is 17595 Harvard Avenue, Suite C511, Irvine, California 92614.
- (7) Based on the Schedule 13G/A filed with the SEC by MAK Capital One L.L.C. ("Investment Manager"), Michael A. Kaufman ("Mr. Kaufman") and MAK Capital Fund LP ("MAK Fund" and collectively, the "Reporting Persons") on February 13, 2020, respectively. Consists of 2,731,761 Ordinary Shares. The principal business address of (i) MAK Capital and Mr. Kaufman is 590 Madison Avenue, Suite 2401, New York, NY 10022; and (ii) MAK Fund is c/o Wakefield Quin, Victoria Place, 31 Victoria Street, Bermuda.

- (8) Consists of 1,926,397 Ordinary Shares held by E-18 Limited (merged into Network18 Media & Investments Limited) and 569,768 Ordinary Shares issuable upon swap of Ordinary Shares of Yatra Online Private Limited held by Network 18 Media and Investment Ltd. (Formerly known as Capital18 Fincap Private Limited), together, the E-18 Entities. Network18 Media & Investments Limited, a company registered in India is the holding company of the E-18 Entities. The business addresses for E-18 Limited (merged into Network18 Media & Investments Limited) and Capital18 Fincap Private Limited are First Floor, Empire Complex, 414- Senapati Bapat Marg, Lower Parel Mumbai, Mumbai City—400013, Maharashtra, India, respectively.
- (9) Consists of (i) 1,196,084 Class A non-voting shares held of record by Norwest Venture Partners IX, LP (Partners IX) and (ii) 1,196,084 Class A non-voting shares held of record by Norwest Venture Partners X, LP (Partners X and together with Partners IX, Norwest Venture Partners). Class A non-voting shares have substantially the same rights as our Ordinary Shares but have no voting rights. NVP Associates, LLC (NVP) is the managing member of the general partners of Norwest Venture Partners, and shares voting and dispositive power over the shares held by Norwest Venture Partners. Promod Haque, Jeffrey Crowe and Matthew Howard, as co-chief executive officers of NVP and members of the general partners, may be deemed to share voting and dispositive power with respect to the shares held of record by Norwest Venture Partners. The business address for each of these entities is c/o Promod Haque, 525 University Ave, Ste 800, Palo Alto, California 94301.
- (10) Consists of 469,291 Ordinary Shares and options to purchase 236,440 Ordinary Shares that are exercisable within 60 days of March 31, 2020.
- (11) Consists of 680,673 Ordinary Shares and options to purchase 17,284 Ordinary Shares that are exercisable within 60 days of March 31, 2020.
- (12) Consists of 140,000 Ordinary Shares.
- (13) Sudhir Kumar Sethi is the founder and chairman of IDG Ventures India Advisors and may be deemed to beneficially own the shares held by the IDG Ventures India Fund II LLC. Mr. Sethi disclaims beneficial ownership of the shares owned by IDG Ventures India Fund II LLC as the voting and investment power for such shares is held by the board of directors of IDG Ventures India Fund II LLC. The address of Mr. Sethi is 7B, 7th floor, Sobha Pearl, #1 Commissariat Road, Bangalore, Karnataka 560025, India.
- (14) Consists of 100 Ordinary Shares held by Mr. Arora, 100 Ordinary Shares held by Mr. Arora's wife, and 100 Ordinary Shares, 58,593 Yatra USA Class F Shares (each exchangeable for one Ordinary Share at any time at the option of the holder), 58,593 Class F Shares (each convertible into 0.00001 of an Ordinary Share upon the exchange of a parallel Yatra USA Class F Share) and warrants to purchase 135,633 Ordinary Shares held by Noyac Path LLC. 100 Ordinary Shares held by Mr. Arora, 100 Ordinary Shares held by Mr. Arora's wife and 100 Ordinary Shares held by Noyac Path LLC are held in brokerage accounts for which margins are available. The sole member of Noyac Path LLC is a trust of which Mr. Arora is settlor and a beneficiary. Mr. Arora disclaims beneficial ownership over any securities owned by his wife and Noyac Path LLC in which he does not have any pecuniary interest.
- (15) Consists of 7,500 Ordinary Shares.

Significant Changes

- Pursuant to Schedule 13G/A filed with the SEC on August 20, 2019, Reliance Infrastructure Limited ceased to be a beneficial owner of 5% or more of our Ordinary Shares.

- Pursuant to Schedule 13G/A filed with the SEC on February 14, 2020, Entities Affiliated with MAK Capital One L.L.C. became a beneficial owner of 5% or more of our Ordinary Shares.

To our knowledge, the Company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly.

As of July 10, 2020, we estimate that:

- approximately 94% of our outstanding ordinary shares were held in the United States by 7 holders of record (the United States record holders include Cede & Co., the nominee of the Depository Trust Company),
- approximately 100% of our outstanding Class F Shares were held in the United States by approximately 8 holders of record, and
- approximately 100% of our outstanding Class A Shares were held in the United States by 2 holders of record.

The number and the U.S. residence of record holders of our Ordinary Shares may not be representative of the number of beneficial owners or where the beneficial owners have residence because it includes beneficial owners whose shares are held in street name by brokers and other nominees.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Our audit committee charter requires our audit committee to review all related party transactions on an ongoing basis and for all such transactions to be approved by our audit committee. The following is a summary of our related party transactions.

Preload Agreement with Reliance Retail Ltd.

On September 26, 2016, the subsidiary of the Group Yatra Online Private Limited (Yatra India), entered into a preload agreement with Reliance Retail Ltd. Pursuant to the preload agreement, Reliance Retail Ltd. has agreed to pre-install the Yatra mobile applications on Reliance Jio LYF smartphones for consideration to be settled in equity shares of Yatra India. Any invoiced amounts by Reliance, will bear interest at a rate of 15% per year from the date of invoice until the date of equity settlement. The agreement remains in effect until September 5, 2019. Either party may terminate the agreement in the event of an uncured breach of a material term of the agreement. Yatra India also has the right to terminate as of September 5, 2017.

On May 16, 2020 Yatra Online, Inc. and the the subsidiary of the Group Yatra Online Private Limited (Yatra India) entered into a Share Subscription Agreement with Reliance Retail Ltd. whereas a part of consideration of the said preload agreement is agreed to be paid by Yatra India to Reliance Retail Ltd. through issuance of Equity Shares of Yatra India which may be swapped into the Ordinary Shares of the Company pursuant to terms of such Share Subscription Agreement.

Investor Rights Agreement

On December 16, 2016, we entered into the Investor Rights Agreement with MIHI LLC, the Terrapin Sponsors and certain other Terrapin 3 stockholders and Yatra shareholders who will own our Ordinary Shares upon consummation of the Business Combination. Pursuant to the terms of the

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Investor Rights Agreement, once we became eligible to use Form F-3 or its successor form, we became obligated to file a shelf registration statement to register the resale of certain of our Ordinary Shares issued in connection with the Business Combination. The Investor Rights Agreement also provide such shareholders with demand, "piggy-back" and Form F-3 registration rights, subject to certain minimum requirements and customary conditions. Shareholders will be entitled to make one demand for registration of ordinary shares, except for certain Yatra shareholders will be entitled to make three demands.

The Investor Rights Agreement also provides the Terrapin Sponsors the right to nominate an individual for election to our board of directors upon the resignation, removal, death or disability of the director initially designated by them pursuant to the terms of the Business Combination Agreement, as well as the right to re-nominate such director two successive times. The Investor Rights Agreement also provides certain of our investors and our executive officers, Dhruv Shringi, Alok Vaish and Manish Amin, the right to nominate an individual for election to our board upon the resignation, removal, death or disability of any of the directors initially designated by our company pursuant to the terms of the Business Combination Agreement, as well as the right to re-nominate any of such directors who are Class I or Class II directors two successive times and the right to re-nominate any of such directors who are Class III directors one time or to designate a replacement for any such director. Subject to applicable law and applicable stock exchange rules, until such time as there is no director designated by the Terrapin Sponsors or no director designated by our company pursuant to the terms of the Business Combination, we are required to take all necessary action to cause at least one director nominated by the Terrapin Sponsors and at least one director nominated by our investors to be appointed to each committee of our board of directors. The Investor Rights Agreement also provides each of MIHI LLC and the Terrapin Sponsors the right to designate one representative to attend our board meeting in a nonvoting observer capacity. MIHI LLC and the Terrapin Sponsors shall cease to have board observation rights when they no longer own at least 5% of our outstanding ordinary shares.

Transactions pursuant to Service Agreements

Pursuant to service agreements with the below mentioned companies (along with their affiliates) that have a significant influence on the Group, we have provided travel and trade related services of Nil, INR 405, INR 176,252, and INR 110,973 in fiscal years 2020, 2019 and 2018 respectively:

- a. Network 18 Media and Investment Ltd. and group companies
- b. Reliance Capital Limited and its group companies
- c. IDG Ventures India Advisors Private Limited

The Company has also availed the insurance and communication services of Reliance General Insurance Company Limited, Reliance Jio Infocomm Limited and Reliance Infocomm Limited at a cost of INR 698, INR 489 and INR 11,497 in fiscal years 2020, 2019 and 2018, respectively.

Exchange and Support Agreement

On December 16, 2016, we entered into an exchange and support agreement with Terrapin 3 (which is now known as Yatra USA Corporation) and holders of Class F common stock of Terrapin 3. Pursuant to the exchange and support agreement, commencing on November 16, 2017, holders of Terrapin 3's Class F common stock (which, pursuant to the Business Combination is now Yatra USA Class F Shares) have the right from time to time to exchange any or all of what are nor Yatra USA Class F Shares for the same amount of our Ordinary Shares. Upon any such exchange, an equal number of our Class F Shares held by such exchanging shareholders will also be converted by us into 0.00001 of our Ordinary Share for each Class F Share converted. The right to make such exchange will expire on December 16, 2021.

Administrative Services Arrangement

Beginning in January 2017, Terrapin Partners, LLC, a private equity and venture capital firm, has agreed to provide us with certain professional services as well as certain office space, utilities and general office, receptionist and secretarial support. In return for such services, when provided, we have agreed to pay Terrapin Partners, LLC a monthly fee of \$5,000. Nathan Leight, one of our shareholders, is the managing member of Terrapin Partners, LLC.

Shareholders Agreements

See "Item 10. Additional Information—B. Memorandum and Articles of Association."

Employment Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Employment Agreements with Executive Officers."

Equity Option and Share Incentive Plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

C. Interest of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements" for a list of the financial statements filed as part of this Annual Report.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business and the results of litigation and claims cannot be predicted with certainty.

Except for the tax and arbitration proceedings described below, there are no governmental or legal proceedings (including any such proceedings which are pending or threatened, of which we are aware) that we believe could reasonably be expected to have a material adverse effect on our results of operations or financial position.

Tax Proceedings

See "Item 4. Information on the Company—B. Business Overview—Litigation" for a description of tax proceedings.

Dividend Distribution Policy

We currently expect to retain all future earnings for use in the operation and expansion of our business and do not plan to pay any dividends on our ordinary shares in the near future. The declaration and payment of any dividends in the future will be determined by our board of directors in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition, applicable law and contractual restrictions. In addition, as a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating

subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of the respective jurisdictions of organization of our subsidiaries, agreements of our subsidiaries or covenants under future indebtedness that we or they may incur. For example, the dividend-paying ability of our subsidiaries including Yatra India and ATB may be limited by covenants contained in the agreements governing their respective outstanding debt arrangements, which prevent them from paying dividends or making distributions to us under certain circumstances (e.g., the failure to make payments, or the occurrence of an event of default, under such agreements). Our ability to pay dividends may, therefore, also be restricted.

B. Significant Changes

Except for (i) the Ebix Merger Agreement described in "Item 4. Information on the Company—Business Overview—Recent Developments—Ebix Merger Agreement," and (ii) the consummation of the offering described in "Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds," there have been no significant subsequent events following the close of the last financial year up to the date of this Annual Report that are known to us and that require disclosure in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our outstanding ordinary shares are currently listed and traded on the Nasdaq Capital Market under the symbol "YTRA." Our outstanding warrants are currently listed and traded on the OTCQX Market under the symbol "YTROF."

B. Plan of Distribution

Not Applicable.

C. Markets

Our Ordinary Shares are listed on the Nasdaq Global Market under the symbol "YTRA". Our warrants are listed on the OTCQX® Market under the symbol "YTROF."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information set forth in our Registration Statement on Form F-3 (File No. 333-224661), as amended, originally filed with the SEC on May 3, 2018 and declared effective by the SEC on May 24, 2018, under the headings "Description of Share Capital" is incorporated herein by reference.

C. Material Contracts

Described herein.

D. Exchange Controls

India

India regulates ownership of Indian companies by foreign entities. Foreign investment in securities issued by Indian companies and exchange controls are generally regulated by the Foreign Exchange Management Act, 1999, as amended, and the regulations framed thereunder (FEMA). Transfers of any security of an Indian company from foreigners/ foreign entities to Indian residents and vice versa are required to be in accordance with FEMA and in some instances is required to be permitted by the Reserve Bank of India beside general reporting requirements under the FEMA. These regulations and restrictions may apply to acquisitions by us or our affiliates, including Yatra India and affiliates which are not resident in India, of shares in Indian companies or the provision of funding by us or any other entity to Indian companies within our group. For example, under its consolidated foreign direct investment policy, the Government of India has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies having foreign investment, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners, as well as such transaction between foreign entities. Further, India's Foreign Exchange Management Act, 1999, as amended, and the rules and regulations promulgated thereunder, restrict or regulate the lending to or borrowing from our Indian Subsidiaries. These requirements currently include restrictions/ regulations with respect to on valuations and sources of funding for such investments and may include prior approval from the Government of India.

Further, the Government of India has in the past made and may continue to make revisions to the FDI Policy on e-commerce in India (including in relation to business model and permitted services). Such changes may require us to make changes to our business in order to comply with Indian law.

Our ability to pay dividends to our shareholders may depend on, among other things, the availability of dividends from Yatra India. As of the date of this Annual Report, Yatra India has not paid any cash dividends on its equity shares. Dividends other than in cash are not permitted under Indian law. The declaration and payment of any dividends in the future will be recommended by the board of directors of Yatra India and approved by the shareholders of Yatra India at their discretion and would depend on a number of factors, including its financial condition, results of operations, capital requirements and surplus, contractual obligations, applicable Indian legal restrictions, the provisions of its articles of association, the terms of its credit facilities and other financing arrangements at the time a dividend is considered and other factors considered relevant by the board of directors. Yatra India may also from time to time pay interim dividends. Yatra India is currently liable to pay dividend distribution tax in India at the rate of 15.0%, plus applicable cess and surcharge, on any dividends paid by it.

Under Indian law, a company declares dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting of shareholders held within six months of the end of each fiscal year. However, while final dividends can be paid out by a company only after such dividends have been recommended by the board of directors and approved by shareholders, interim dividends can be paid out with only a recommendation by the board of directors. The shareholders have the right to decrease but not to increase any dividend amount recommended by the board of directors. Under Indian law, shares of a company belonging to the same class must receive equal dividend treatment.

Yatra India may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of Yatra India.

Under Indian law, an Indian company is permitted to declare or pay dividends for any fiscal year out of profits for that year (calculated to include any dividend distribution tax) after providing for depreciation in the manner prescribed. However, no company is permitted to declare dividends unless previous years' carried over losses and depreciation not provided in the previous year or years are setoff against profits of the company for the current year.

If profits for a particular year are insufficient to declare dividends (including interim dividends), the dividends for that year may be declared and paid out from accumulated profits if the following conditions are fulfilled:

- the rate of dividend to be declared shall not exceed the average of the rates at which dividends were declared in the three years immediately preceding that year (except where no dividends have been declared in each of the preceding three years);
- the total amount to be drawn from the accumulated profits earned in previous years shall not exceed an amount equal to one-tenth of the sum of the company's paid-up share capital and free reserves (based on the latest audited financial statements available), and the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; and;
- the balance of the reserves after such withdrawal shall not fall below 15.0% of the company's paid-up share capital (based on the latest audited financial statements available).

E. Taxation

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences of the ownership and disposition of our Ordinary Shares to U.S. holders and non-U.S. holders. This discussion is based on provisions of the Internal Revenue Code, or the Code, the U.S. Department of the Treasury regulations promulgated thereunder (whether final, temporary or proposed), administrative rulings of the IRS, judicial decisions, all as in effect on the date hereof, and all of which are subject to differing interpretations or change, possibly with retroactive effect. Any such change or differing interpretation could affect the accuracy of the statements and conclusions set forth herein. This discussion is for general purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to holders as a result of the ownership and disposition of our shares. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular holders, nor does it take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder. Accordingly, it is not intended to be, and should not be construed as, tax advice. This discussion does not address any aspects of U.S. federal taxation other than those pertaining to the income tax, nor does it address any tax consequences arising under any U.S. state and local, or

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non-U.S., tax laws. Holders should consult their tax advisors regarding such tax consequences in light of their particular circumstances. No ruling has been requested or will be obtained from the IRS regarding the statements made and the conclusions reached in the following discussion and there can be no assurance that the IRS will not challenge the U.S. federal income tax treatment described below or that, if challenged, such treatment will be sustained by a court.

This discussion is limited to U.S. federal income tax considerations relevant to U.S. holders and non-U.S. holders that hold our Ordinary Shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to particular holders in light of their individual circumstances, including holders subject to special treatment under the U.S. tax laws, such as, for example:

- banks, thrifts, mutual funds or other financial institutions, underwriters, or insurance companies;
- traders in securities who elect to apply a mark-to-market method of accounting;
- real estate investment trusts and regulated investment companies;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;
- expatriates or former long-term residents of the United States;
- partnerships or other pass-through entities (or arrangements treated as such) or investors therein;
- dealers or traders in securities, commodities or currencies;
- grantor trusts;
- persons subject to the alternative minimum tax;
- U.S. persons whose "functional currency" is not the U.S. dollar;
- persons who received our Ordinary Shares through the exercise of incentive stock options or through the issuance of restricted stock under an equity incentive plan or through a tax-qualified retirement plan or otherwise as compensation;
- persons who own (directly or through attribution) 10% or more (by vote or value) of our outstanding ordinary shares;
- persons who are subject to the accounting rules under Section 451(b) of the Code;
- the initial stockholders and their affiliates; or
- holders holding our Ordinary Shares as a position in a "straddle," as part of a "synthetic security" or "hedge," as part of a "conversion transaction," or other integrated investment or risk reduction transaction.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of our Ordinary Shares, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

For purposes of this discussion, a "non-U.S. holder" means a beneficial owner of our Ordinary Shares that is neither a U.S. holder nor a partnership (or an entity or arrangement treated as a partnership) for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds our Ordinary Shares, the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. A holder that is a partnership and the partners in such partnership should consult their tax advisors with regard to the U.S. federal income tax consequences of the ownership and disposition of our Ordinary Shares.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF YATRA ORDINARY SHARES. HOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF YATRA ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL AND OTHER TAX LAWS.

Tax Residence of Yatra and Utilization of Terrapin's Tax Attributes

Tax Residence of Yatra for U.S. Federal Income Tax Purposes

A corporation is generally considered for U.S. federal income tax purposes to be a tax resident in the jurisdiction of its organization or incorporation. Accordingly, under the generally applicable U.S. federal income tax rules, Yatra Online, Inc., which is incorporated under the laws of the Cayman Islands, would be classified as a non-U.S. corporation (and, therefore, not a U.S. tax resident) for U.S. federal income tax purposes. Section 7874 of the Code provides an exception to this general rule (more fully discussed below), under which a non-U.S. incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. These rules are relatively new and complex and there is limited guidance regarding their application.

Under Section 7874, a corporation created or organized outside the United States (*i.e.*, a non-U.S. corporation) will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes (and, therefore, as a U.S. tax resident subject to U.S. federal income tax on its worldwide income) if each of the following three conditions are met: (i) the non-U.S. corporation, directly or indirectly, acquires substantially all of the properties held directly or indirectly by a U.S. corporation (including through the acquisition of all of the outstanding shares of the U.S. corporation); (ii) the non-U.S. corporation's "expanded affiliated group" does not have "substantial business activities" in the non-U.S. corporation's country of organization or incorporation and tax residence relative to the expanded affiliated group's worldwide activities; and (iii) after the acquisition, the former shareholders of the acquired U.S. corporation hold at least 80% (by either vote or value) of the shares of the non-U.S. acquiring corporation by reason of holding shares in the U.S. acquired corporation (taking into account the receipt of the non-U.S. corporation's shares in exchange for the U.S. corporation's shares) as determined for purposes of Section 7874 (this test is referred to as the "80% ownership test").

For purposes of Section 7874, the first two conditions described above were met with respect to the mergers completed in July 2016 with Terrapin, because we acquired indirectly all of the assets of Terrapin through the mergers with Terrapin, and Yatra Online, Inc., including its "expanded affiliated

group," did not have "substantial business activities" in the Cayman Islands within the meaning of Section 7874 upon consummation of the mergers with Terrapin. As a result, whether Section 7874 will apply to cause us to be treated as a U.S. corporation for U.S. federal income tax purposes following the mergers with Terrapin should depend on the satisfaction of the 80% ownership test.

Based on the terms of the mergers with Terrapin, the rules for determining share ownership under Section 7874 and the Treasury regulations promulgated thereunder and based upon certain factual assumptions, we believe that the Section 7874 ownership percentage of the former Terrapin stockholders in our company should be less than 80% and accordingly we are not expected to be treated as a U.S. corporation for U.S. federal income tax purposes. Further, for purposes of determining the ownership percentage of former Terrapin stockholders for purposes of Section 7874, former Terrapin stockholders will be deemed to own an amount of our Ordinary Shares in respect to certain redemptions by Terrapin prior to the closing of the mergers with Terrapin. In addition, as discussed above, the rules for determining ownership under Section 7874 are complex, unclear and the subject of ongoing regulatory change. Many of these rules are contained in the Treasury regulations under Section 7874, and there is limited guidance as to their application. Accordingly, there can be no assurance that the IRS would not assert that the 80% ownership test is met with respect to the mergers with Terrapin and that, accordingly, we should be treated as a U.S. corporation for U.S. federal income tax purposes or that such an assertion would not be sustained by a court.

There has been discussion of additional changes to Section 7874. Any changes to the rules of Section 7874 or the Treasury regulations promulgated thereunder, or other changes of law, which could be made retroactively effective, could adversely affect our status as a non-U.S. corporation for U.S. federal income tax purposes.

If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we could be subject to substantial liability for additional U.S. income taxes, and the gross amount of any dividend payments to our non-U.S. shareholders could be subject to 30% U.S. withholding tax, depending on the application of any income tax treaty that might apply to reduce the withholding tax.

The remainder of this discussion assumes that we will not be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874.

Utilization of Terrapin's Tax Attributes

Following the acquisition of a U.S. corporation by a non-U.S. corporation, Section 7874 can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize certain U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. taxable income resulting from certain transactions. These limitations will potentially apply if: (i) the non-U.S. corporation acquires, directly or indirectly, substantially all of the properties held, directly or indirectly, by the U.S. corporation (including through the direct or indirect acquisition of all of the outstanding shares of the U.S. corporation); (ii) after the acquisition, the non-U.S. corporation's "expanded affiliated group" does not have "substantial business" activities in the non-U.S. corporation's country of organization or incorporation and tax residence relative to the expanded affiliated group's worldwide activities (as determined under the Treasury regulations); and (iii) after the acquisition, the former shareholders of the acquired U.S. corporation hold less than 80% but at least 60% (by either vote or value) of the shares of the non-U.S. acquiring corporation by reason of holding shares in the U.S. acquired corporation (taking into account the receipt of the non-U.S. corporation's shares in exchange for the U.S. corporation's shares) (this test is referred to as the "60% ownership test"). If each of these conditions is met, then the taxable income of the U.S. corporation (and any U.S. person related to the U.S. corporation) for any given year, within a period beginning on the first date the U.S. corporation's properties were acquired directly or indirectly by the non-U.S. acquiring corporation and ending 10 years after the last date the U.S. corporation's properties were acquired, will be no less than that

person's "inversion gain" for that taxable year. A person's inversion gain includes gain from the transfer of shares or any other property (other than property held for sale to customers) and income from the license of any property that is either transferred or licensed as part of the acquisition, or after the acquisition if the transfer or license is to a non-U.S. related person. In general, the effect of this provision is to deny the use of net operating losses, foreign tax credits or other tax attributes to offset the inversion gain.

Based on the terms of the mergers with Terrapin, the rules for determining share ownership under Section 7874 and the Treasury regulations promulgated thereunder and based upon certain factual assumptions, we believe that the Section 7874 ownership percentage of the former Terrapin stockholders in our company should be less than 60% and accordingly the limitations and other rules described above are not expected to apply to Terrapin after the mergers with Terrapin. In addition, as discussed above under "*Tax Residence of Yatra for U.S. Federal Income Tax Purposes*," the rules for determining ownership under Section 7874 are complex, unclear and the subject of recent and ongoing regulatory change and there can be no assurance that the IRS would not assert that the 60% ownership test is met with respect to the mergers with Terrapin and that accordingly the foregoing limitations and rules would apply or that such an assertion would not be sustained by a court.

If the IRS were to successfully assert that the 60% ownership test has been met, the ability of Terrapin and its U.S. affiliates to utilize certain U.S. tax attributes against income or gain recognized pursuant to certain transactions may be limited. However, as a blank check company, whose assets were primarily comprised of cash and cash equivalents, it is not expected that Terrapin would have a significant amount of inversion gain. Accordingly, even if the 60% ownership test were satisfied, the effect of the resulting limitations on the use of net operating losses and tax attributes would not be expected to be material.

U.S. Federal Income Tax Consequences of the Ownership and Disposition of Ordinary Shares of Yatra

U.S. Holders

Distributions on our Ordinary Shares

Subject to the discussion below under "*Passive Foreign Investment Company Status*," the gross amount of any distribution on our Ordinary Shares that is made out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. holder as ordinary dividend income on the date such distribution is actually or constructively received. Any such dividends will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other U.S. corporations. To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess amount will be treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in our Ordinary Shares, and thereafter as capital gain recognized on a sale or exchange.

Dividends received by non-corporate U.S. holders (including individuals) from a "qualified foreign corporation" may be eligible for reduced rates of taxation, provided that certain holding period requirements and other conditions are satisfied. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends it pays on shares that are readily tradable on an established securities market in the United States. U.S. Treasury guidance indicates that shares listed on the NASDAQ (where our Ordinary Shares are currently listed) will be considered readily tradable on an established securities market in the United States. There can be no assurance that our Ordinary Shares will be considered readily tradable on an established securities market in future years. Non-corporate U.S. holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code (dealing with the deduction for investment interest expense)

will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to the positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. We will not constitute a qualified foreign corporation for purposes of these rules if we are a PFIC for the taxable year in which we pay a dividend or for the preceding taxable year. See "*—Passive Foreign Investment Company Status.*"

Subject to certain conditions and limitations, withholding taxes, if any, on dividends paid by us may be treated as foreign taxes eligible for credit against a U.S. holder's U.S. federal income tax liability under the U.S. foreign tax credit rules. For purposes of calculating the U.S. foreign tax credit, dividends paid on our Ordinary Shares will generally be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing the U.S. foreign tax credit are complex. U.S. holders should consult their tax advisors regarding the availability of the U.S. foreign tax credit under their particular circumstances.

Sale, Exchange, Redemption or Other Taxable Disposition of Our Ordinary Shares

Subject to the discussion below under "*—Passive Foreign Investment Company Status,*" a U.S. holder generally will recognize gain or loss on any sale, exchange, redemption or other taxable disposition of our Ordinary Shares in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. holder's adjusted tax basis in such shares. Any gain or loss recognized by a U.S. holder on a taxable disposition of our Ordinary Shares generally will be capital gain or loss and will be long-term capital gain or loss if the holder's holding period in such shares exceeds one year at the time of the disposition. Preferential tax rates may apply to long-term capital gains of non-corporate U.S. holders (including individuals). The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder on the sale or exchange of our Ordinary Shares generally will be treated as U.S. source gain or loss.

It is possible that India may impose an income tax upon sale of our Ordinary Shares. Because gains generally will be treated as U.S. source gain, as a result of the U.S. foreign tax credit limitation, any Indian income tax imposed upon capital gains in respect of our Ordinary Shares may not be currently creditable unless a U.S. holder has other foreign source income for the year in the appropriate U.S. foreign tax credit limitation basket. U.S. holders should consult their tax advisors regarding the application of Indian taxes to a disposition of our Ordinary Shares and their ability to credit an Indian tax against their U.S. federal income tax liability.

Characterization as a "Controlled Foreign Corporation" for U.S. Federal Income Tax Purposes

There is a possibility that we will be classified as a "controlled foreign corporation," or CFC, for U.S. federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "10% U.S. Shareholders." For this purpose, a "10% U.S. Shareholder" is any U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power or value of our outstanding ordinary shares. In addition, recent changes to the attribution rules relating to the determination of CFC status may make it difficult to determine our CFC status for any taxable year. If we were to be classified as a CFC, a 10% U.S. Shareholder may be subject to U.S. federal income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable even if the CFC has made no distributions to its shareholders, including "Subpart F income," global intangible low-taxed income and certain other income generated by the CFC, and may also be subject to U.S. federal income taxation at ordinary income tax rates on any gain realized on a sale of ordinary shares, to the extent of the current and accumulated earnings and profits of our company attributable to such shares. The CFC rules are complex and U.S. holders that are, or may be,

10% U.S. Shareholders are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances. It is not expected that we will be classified as a CFC, and the remainder of this discussion assumes that we will not be classified as a CFC for U.S. federal income tax purposes but no assurances can be offered in this regard.

Passive Foreign Investment Company Status

The treatment of U.S. holders of our Ordinary Shares could be materially different from that described above, if we are treated as a PFIC for U.S. federal income tax purposes.

A non-U.S. corporation, such as Yatra Online, Inc., will be a PFIC for U.S. federal income tax purposes for any taxable year in which, after the application of certain look-through rules either: (i) 75% or more of its gross income for such taxable year is passive income, or (ii) 50% or more of the total value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets, including cash, that produce passive income or are held for the production of passive income. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. The determination of whether we are a PFIC is based upon the composition of our income and assets, (including, among others, corporations in which we own at least a 25% interest), and the nature of our activities.

Based on the projected composition of its income and assets, including goodwill, it is not expected that we will be a PFIC for this taxable year or in the foreseeable future. The tests for determining PFIC status are applied annually after the close of the taxable year, and it is difficult to predict accurately future income and assets relevant to this determination. The fair market value of the assets of our company is expected to depend, in part, upon (a) the market value of our Ordinary Shares, and (b) the composition of our assets and income. A decrease in the market value of our Ordinary Shares and/or an increase in cash or other passive assets would increase the relative percentage of its passive assets. The application of the PFIC rules is subject to uncertainty in several respects and, therefore, the IRS may assert that, contrary to expectations, we are a PFIC for this taxable year or in a future year. Accordingly, there can no assurance that we will not be a PFIC for this taxable year or any future taxable year.

If we are or become a PFIC during any year in which a U.S. holder holds our Ordinary Shares, unless the U.S. holder makes a qualified electing fund (QEF) election or mark-to-market election with respect to the shares, as described below, a U.S. holder generally would be subject to additional taxes (including taxation at ordinary income rates and an interest charge) on any gain realized from a sale or other disposition of our Ordinary Shares and on any "excess distributions" received from us, regardless of whether we qualify as a PFIC in the year in which such distribution is received or gain is realized. For this purpose, a pledge of our Ordinary Shares as security for a loan may be treated as a disposition. The U.S. holder would be treated as receiving an excess distribution in a taxable year to the extent that distributions on the shares during that year exceed 125% of the average amount of distributions received during the three preceding taxable years (or, if shorter, the U.S. holder's holding period). To compute the tax on excess distributions or on any gain, (i) the excess distribution or gain would be allocated ratably over the U.S. holder's holding period, (ii) the amount allocated to the current taxable year and any year before the first taxable year for which we were a PFIC would be taxed as ordinary income in the current year, and (iii) the amount allocated to other taxable years would be taxed at the highest applicable marginal rate in effect for each such year (*i.e.*, at ordinary income tax rates) and an interest charge would be imposed to recover the deemed benefit from the deferred payment of the tax attributable to each such prior year.

If we were to be treated as a PFIC, a U.S. holder may avoid the excess distribution rules described above by electing to treat our company (for the first taxable year in which the U.S. holder owns any shares) and any lower-tier PFIC (for the first taxable year in which the U.S. holder is treated as owning an equity interest in such lower-tier PFIC) as a QEF. If a U.S. holder makes an effective QEF election with respect to our company (and any lower-tier PFIC), the U.S. holder will be required to include in gross income each year, whether or not we make distributions, as capital gains, our pro rata share's (and such lower-tier PFIC's) net capital gains and, as ordinary income, our pro rata share's (and such lower-tier PFIC's) net earnings in excess of its net capital gains. U.S. holders can make a QEF election only if we (and each lower-tier PFIC) provide certain information, including the amount of its ordinary earnings and net capital gains determined under U.S. tax principles. We will make commercially reasonable efforts to provide U.S. holders with this information if we determine that we are a PFIC.

As an alternative to making a QEF election, a U.S. holder may also be able to avoid some of the adverse U.S. tax consequences of PFIC status by making an election to mark the ordinary shares to market annually. A U.S. holder may elect to mark-to-market the ordinary shares only if they are "marketable stock." The ordinary shares will be treated as "marketable stock" if they are regularly traded on a "qualified exchange." The ordinary shares are listed on the NASDAQ, which should be a qualified exchange for this purpose. The ordinary shares will be treated as regularly traded in any calendar year in which more than a de minimis quantity of the ordinary shares are traded on at least 15 days during each calendar quarter. There can be no certainty that the ordinary shares will be sufficiently traded such as to be treated as regularly traded.

U.S. holders should consult their tax advisors regarding the U.S. federal income tax consequences of the PFIC rules. If we are treated as a PFIC, each U.S. holder generally will be required to file a separate annual information return with the IRS with respect to our company and any lower-tier PFICs.

Medicare Surtax on Net Investment Income

Non-corporate U.S. holders whose income exceeds certain thresholds generally will be subject to 3.8% surtax on their "net investment income" (which generally includes, among other things, dividends on, and capital gain from the sale or other taxable disposition of, our Ordinary Shares). Non-corporate U.S. holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of our Ordinary Shares.

Additional Reporting Requirements

Certain U.S. holders holding specified foreign financial assets with an aggregate value in excess of the applicable dollar thresholds are required to report information to the IRS relating to our Ordinary Shares, subject to certain exceptions (including an exception for our Ordinary Shares held in accounts maintained by U.S. financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return, for each year in which they hold our Ordinary Shares. Substantial penalties apply to any failure to file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not willful neglect. Also, in the event a U.S. holder does not file IRS Form 8938 or fails to report a specified foreign financial asset that is required to be reported, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related taxable year may not close before the date which is three years after the date on which the required information is filed. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on the ownership and disposition of our Ordinary Shares.

Non-U.S. Holders

In general, a non-U.S. holder of our Ordinary Shares will not be subject to U.S. federal income tax or, subject to the discussion below under "*Information Reporting and Backup Withholding*," U.S. federal withholding tax on any dividends received on our Ordinary Shares or any gain recognized on a sale or other disposition of our Ordinary Shares (including, any distribution to the extent it exceeds the adjusted basis in the non-U.S. holder's ordinary shares) unless:

- the dividend or gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; or
- in the case of gain only, the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.

A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Foreign Account Tax Compliance Act

The United States Foreign Account Tax Compliance Act, or FATCA, imposes a reporting regime and, potentially, a 30% withholding tax on certain payments made to certain non-US financial institutions that fail to comply with certain information reporting, account identification, withholding, certification and other FATCA related requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. To avoid becoming subject to FATCA withholding, we may be required to report information to the IRS regarding the holders of our ordinary shares and to withhold on a portion of payments with respect to our ordinary shares to certain holders that fail to comply with the relevant information reporting requirements (or that hold our ordinary shares directly or indirectly through certain non-compliant intermediaries). This withholding tax made with respect to our ordinary shares will not apply to payments made before the date that is two years after the date of publication of final regulations defining the term "foreign passthru payment". An intergovernmental agreement between the United States and another country may also modify these requirements. FATCA is particularly complex and its application is uncertain at this time. Holders of our ordinary shares should consult their tax advisors to obtain a more detailed explanation of FATCA and to learn how FATCA might affect each holder in its particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to dividends received by U.S. holders of our Ordinary Shares, and the proceeds received on the disposition of our Ordinary Shares effected within the United States (and, in certain cases, outside the United States), in each case other than U.S. holders that are exempt recipients (such as corporations). Backup withholding (currently at a rate of 24%) may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent of the U.S. holder's broker) or is otherwise subject to backup withholding. Proceeds from the sale, exchange, redemption or other disposition of our Ordinary Shares may be subject to information reporting to the IRS and possible U.S. backup withholding. U.S. holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information returns may be filed with the IRS in connection with, and non-U.S. holders may be subject to backup withholding on amounts received in respect of their ordinary shares, unless the

non-U.S. holder furnishes to the applicable withholding agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable, or the non-U.S. holder otherwise establishes an exemption. Dividends paid with respect to our Ordinary Shares and proceeds from the sale or other disposition of our Ordinary Shares received in the United States by a non-U.S. holder through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding unless such non-U.S. holder provides proof of an applicable exemption or complies with certain certification procedures described above, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against the holder's U.S. federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

The preceding discussion is not tax advice. Each prospective investor should consult the prospective investor's tax advisor regarding the particular U.S. federal, state, and local and non-U.S. tax consequences of the ownership and disposition of our Ordinary Shares, including the consequences of any proposed change in applicable laws.

MATERIAL INDIAN TAX CONSEQUENCES

The following is a general discussion of material Indian tax consequences of ownership and disposition of our registered ordinary shares for investors who are not residents in India as per the (Indian) Income Tax Act, 1961, as amended, or the IT Act. This discussion is based on the provisions of the IT Act as are in force as of the date of this Annual Report and interpretations thereof as pronounced in judicial precedents and is subject to change.

Also, as mentioned above, the Indian tax consequences summarized below are from the perspective of investors who are non-residents in India per the provisions of IT Act. Investors who qualify as residents in India shall remain liable for Indian taxes in respect of their global income.

THIS SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL INDIAN TAX CONSEQUENCES IN RELATION TO THE OWNERSHIP AND DISPOSAL OF OUR ORDINARY SHARES. FURTHER, THE DISCUSSION BELOW PROVIDES A SUMMARY OF THE TAX CONSEQUENCES UNDER THE IT ACT, AND INVESTORS MAY BE ENTITLED TO A MORE BENEFICIAL TAX TREATMENT UNDER TAX TREATIES THAT INDIA MAY HAVE ENTERED INTO WITH COUNTRIES OF RESIDENCE OF INDIVIDUAL INVESTORS.

WHILST IT IS BELIEVED THAT THE DISCUSSION BELOW REPRESENTS A REASONABLE INTERPRETATION OF THE RELEVANT PROVISIONS OF THE IT ACT, THERE CAN BE NO ASSURANCE (ESPECIALLY IN VIEW OF FACTS SPECIFIC TO A PARTICULAR INVESTOR) THAT THE REVENUE AUTHORITIES MAY AGREE WITH SUCH INTERPRETATIONS.

INVESTORS SHOULD THEREFORE CONSULT THEIR TAX ADVISORS ON THE INDIAN TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSAL OF OUR ORDINARY SHARES UNDER INDIAN LAW, INCLUDING SPECIFICALLY CONSIDERING THE PROVISIONS OF TAX TREATY BETWEEN INDIA AND THEIR COUNTRY OF RESIDENCE.

Investors May be Subject to Indian Taxes on Income Arising Through the Sale of Our Ordinary Shares

Amendments introduced in 2012 to the IT Act, provided that income arising directly or indirectly through the sale of a capital asset being any share or interest in a company incorporated outside of India, will be subject to tax in India if such share or interest directly or indirectly derives its value

substantially from assets located in India, irrespective of whether the seller of such shares has a residence, place of business, business connection, or any other presence in India (see Explanation 5 to section 9(1)(i) of the IT Act). Through amendments introduced in 2015, it has been provided that a share or an interest in an entity is said to derive its value substantially from assets located in India when the following two conditions are satisfied: (i) the value of the assets located in India owned directly or indirectly by an entity whose shares or interest are transferred exceeds INR 100 million and (ii) the value of assets located in India is at least 50% of the value of all assets owned by the entity whose shares or interest are the subject matter of transfer (see Explanation 6 to section 9(1)(i) of the IT Act). The value of the assets is computed on a fair value basis as per a specific method prescribed under the Income Tax Rules, 1962 (Rule 11UB). In case taxability is triggered under the aforesaid provisions, capital gains proportionate to the fair value of the Indian assets contributing in the value of the foreign entity whose shares are transferred are regarded as taxable in India. The manner of computing capital gains in such a scenario has been prescribed in the Income Tax Rules, 1962 (Rule 11UC).

As of the date of this Annual Report, our Ordinary Shares and warrants derive their value substantially from assets located in India, as defined under the IT Act. Hence, investors may be subject to Indian taxes on the income arising from the transfer of our Ordinary Shares/warrants subject to the provisions of respective tax treaties that India has entered into with their country of residence. The income shall be taxable as capital gains, which shall be computed as per the provisions of the IT Act.

However, the IT Act also contains an exemption with respect to alienation of shares by a transferor-investor, whose voting rights or share capital, either individually or along with its Associated Enterprises (as defined in the IT Act) at any time during the 12-month period preceding the date of sale does not exceed five percent of the total voting rights or share capital in the company, provided such transferor-investor is not vested with rights of management or control in any other form.

Provisions Relating to Long Term Capital Gains and Short Term Capital Gains

Gains arising from transfer of capital asset are charged to tax under the heading "capital gains." A capital asset may either be a short-term or long-term capital asset, depending on the period of its holding.

Gains arising from a short-term capital asset are short-term capital gains and gains arising from long-term capital asset are long-term capital gains.

Short-term capital gains:

Shares which are not listed on a recognized stock exchange in India are regarded as short-term capital assets, if such shares are held for not more than two years immediately preceding the date of transfer (see section 2(42A) of the IT Act). Gains arising from the transfer of a short-term capital asset are taxed as short-term capital gains.

The rate of tax for short-term capital gains for a foreign company is 40% (plus applicable surcharge and cess) subject to the applicable tax treaty benefit.

For assesseees other than foreign companies, the short-term capital gains are taxable at applicable slab rates as prescribed for the financial year.

Long-term capital gains:

Shares which are not listed on a recognized stock exchange in India are regarded as long-term capital assets, if such shares are held for more than two years immediately preceding the date of transfer (see section 2(29A) of the IT Act). Gains arising from the transfer of a long-term capital asset are taxed as long-term capital gains.

The tax rate for long-term capital gains arising on sale of shares which are not listed on a recognized stock exchange in India is 10% (as per section 112(1)(c)(iii) of the IT Act) (plus applicable surcharge and cess) subject to the applicable tax treaty benefit.

Carry Forward and Set Off Capital Loss

The losses arising from a transfer of a capital asset in India can only be set off against capital gains and not against any other income in accordance with the IT Act.

A long-term capital loss may be set off only against a long-term capital gain. A short-term capital loss may be set off against a short-term capital gain or long-term capital gain (see section 74 of the IT Act).

To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight years immediately succeeding the year for which the loss was first computed and may be set off against the capital gains assessable for such subsequent years (see section 74 of the IT Act).

In order to get the benefit of set-off of the capital losses in this manner, the non-resident investor must file appropriate and timely tax returns in India and undergo the usual assessment procedures.

Withholding Tax Obligation on the Purchaser of Our Securities

As per section 195 of the IT Act, every person making any payment to a non-resident, which is chargeable to tax in India is required to deduct tax at the appropriate rates at the time of payment or at the time of credit, whichever is earlier. Therefore, a payer would be required to deduct tax on payments at the rates in force in India or as per the applicable tax treaty, if the said sum is chargeable to tax in India.

Accordingly, any person responsible for making payment on purchase of our Ordinary Shares/warrants from an existing non-resident investor shall be liable to withhold taxes at source if the transferor is liable for Indian taxes on account of the transfer. It is pertinent to note that the payer has an obligation to withhold taxes only when the capital gains arising on transfer of our Ordinary Shares/warrants is chargeable to tax in India. Further, in case benefit of a tax treaty is taken into account by the non-resident transferor, then the Indian law prescribes documentation which the payer should maintain while withholding taxes.

Implications under Section 56 of the IT Act

Section 56(2)(x) of the Income Tax Act provides for taxability in the hands of the purchaser of shares, if the purchase is made without consideration or for consideration less than the Fair Market Value of such shares. If any transfer of shares is undertaken at less than FMV of such shares, the difference between the FMV of such shares and purchase consideration would be taxable in the hands of purchaser as "income from other sources" and taxed at the tax rate applicable to regular income. The formula for computing FMV of listed shares takes into account market value of such shares. In case of quoted shares, the traded value of such shares represents the FMV of listed shares.

Taxation of Distributions.

Up to March 31, 2020, dividend income was exempt from tax for shareholders, during the said period the effective rate of Dividend Distribution Tax (DDT) was payable by the Company at 20.5553%. Earlier the Finance Act 2017 has provided that any income earned by any resident except domestic companies or specified funds or trusts or institutions, by way of dividend declared, distributed or paid by any domestic company in excess of ₹ 1,000,000 in aggregate shall be chargeable to tax at the rate of 10% on gross basis on such amount exceeding ₹ 1,000,000.

The Finance Act 2020 has replaced the Dividend Distribution Tax (DDT) with the classical system of dividend taxation wherein dividend income will be taxed in the hands of the shareholders at their respective applicable tax rates. In the light of the above changes under the Income-tax Act, Company paying dividend to shareholders is required to do withholding of tax at the applicable rates prescribed under Income Tax Act read along Tax Treaty with respective countries (together with Multilateral Instruments (MLI) as applicable) subject to conditions specified under the Income Tax Act.

Further the Finance Act 2020 has restored the section 80M of Income Tax Act to prevent the cascading effect of imposition of tax on dividend on same profits, by providing that where a domestic company declares dividend, out of dividend received from another domestic or foreign company or business trust, it shall be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it up to one month prior to the due date of filing Income Tax Return.

Further the Finance Act 2020 amended section 57 of Income Tax Act to provide that no deduction shall be allowed from dividend income, other than deduction on account of interest expense and in any previous year such deduction shall not exceed twenty percent of the dividend income included in the total income for that year without deduction under section 57 of Income Tax Act.

Taxation of Employee Stock Options.

Through the Finance Act, 2009, Section 17 (2) of the Income Tax Act was amended to provide that any specified securities or sweat equity shares allotted or transferred, directly or indirectly, by a company free of cost or at concessional rate to its current or former employees are taxable in the hands of employees as a "perquisite". This treatment extends to all options granted under a company's stock option plan, where such option is exercised on or after April 1, 2009. The value of the perquisite is the fair market value, or FMV, of the specified security or share as on the date of exercise of the option by the employee as reduced by the amount actually paid by, or recovered from the employee in respect of such security or share. The value of the perquisite so computed is added to the income chargeable to tax in the hands of the employee under the head "salaries" and subject to tax at the rate applicable to the individual employee. Securities or sweat equity shares allotted or transferred by a company free of cost or at concessional rate to its employees were earlier subject to a fringe benefit tax, which now stands abolished.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system All our Exchange Act reports and other SEC filings will be available through the EDGAR system. You may also access information about Yatra through our corporate website <https://www.yatra.com>. The information contained in both websites is not incorporated by reference into this annual report.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's activities are exposed to variety of financial risk: credit risk, foreign currency risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company reviews and agrees on policies for managing each of these risks which are summarized below:

Credit Risk. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

See Note 40 to our audited consolidated financial statements included elsewhere in this Annual Report for additional information relating to our exposure to credit risk.

Liquidity Risk. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, we aim to maintain flexibility in funding by keeping committed credit lines available.

The Group manages liquidity by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Based on our past performance and current expectations, we believe that the cash and cash equivalent and cash generated from operations will satisfy the working capital needs, funding of operational losses, capital expenditure, commitments and other liquidity requirements associated with our existing operations through at least the next 12 months. In addition, there are no transactions, arrangements and other relationships with any other person that are reasonably likely to materially affect the availability of the requirement of capital resources. See Note 40 to our audited consolidated financial statements included elsewhere in this Annual Report for additional information relating to our exposure to liquidity risk.

Foreign Currency Risk. Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group operates through subsidiaries in India, Singapore and United States. The functional currency of these subsidiaries is the local currency in the respective countries and accordingly there are no related significant foreign currency exposures. The Company currently does not have any hedging agreements or similar arrangements with any counter-party to cover its exposure to any fluctuations in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating transactions which are denominated in currency other than subsidiary's functional currency (foreign currency denominated receivables and payables). See Note 40 to our audited consolidated financial statements included elsewhere in this Annual Report for sensitivity analysis relating to our exposure to foreign currency risk.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On June 23, 2020, we completed a follow-on public offering in which we offered and sold an aggregate of 12,500,000 ordinary shares, at a public offering price of \$0.80 per share. On June 24, 2020, pursuant to the underwriters' full exercise of their option to purchase additional shares, we sold an additional 1,875,000 ordinary shares in the offering at the public offering price. The aggregate price of the offering amount registered and sold was \$11.4 million, of which we received net proceeds of \$10.5 million. None of the transaction expenses included payments to directors or officers of our Company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds from the offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates. Yatra used the net proceeds from the offering for general corporate and business purposes. The effective date of our registration statement on Form F-3 (File number: 333-224661) was May 24, 2018. H.C. Wainwright & Co. acted as sole book-running manager for the offering.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management, including our group chief executive officer and our group "Principal Financial officer and Principal Accounting Officer", has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosure.

Based on their evaluation as of March 31, 2020, our group chief executive officer and group "Principal Financial officer and Principal Accounting Officer" have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in filings and submissions under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms, and that material information related to us and our consolidated subsidiaries is accumulated and communicated to management, including the group chief executive officer and group "Principal Financial officer and Principal Accounting Officer", as appropriate to allow timely decisions about required disclosures.

B. Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and "Principal Financial officer and Principal Accounting Officer" and effected by

our management and other personnel to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external reporting purposes in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the Company's internal control over financial reporting as of March 31, 2020, the end of the Company's fiscal year. Management based its assessment on criteria established in Internal Control—Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations (COSO 2013). Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and the Company's overall control environment.

Based on the Company's assessment, management has concluded that the Company's internal control over financial reporting was effective, as of the end of the fiscal year, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS as issued by the IASB.

C. Attestation Report of the Registered Public Accounting Firm

Because the Company is an "emerging growth company" as defined in the Jobs Act, the Company will not be required to comply with the auditor attestation requirements of the United States Sarbanes-Oxley Act of 2002 for as long as the Company remains an "emerging growth company," which may be for as long as five years following its initial registration in the United States.

D. Changes in Internal Control over Financial Reporting

During the period covered by this Annual Report, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that we have at least one audit committee financial expert serving on the audit committee. Murlidhara Kadaba, a member of the audit committee, is an audit committee financial expert and "independent" as that term is defined in the Nasdaq Listing Rules.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a Code of Business Conduct and Ethics, or the Code of Conduct. Our Code of Conduct documents the principles of conduct and ethics to be followed by our directors, officers and employees when conducting our business and performing their day-to-day duties. The purpose of our Code of Conduct is to promote honest and ethical conduct, compliance with applicable governmental rules and regulations, prompt internal reporting of violations of the Code of Conduct and a culture of honesty and accountability. A copy of the Code of Conduct has been provided to each of our directors, officers and employees who are required to acknowledge that they have received and will comply with the Code of Conduct. We intend to disclose any material amendments to the code, or any waivers of its requirements, in our public SEC filings and/or on our website in accordance with applicable SEC and Nasdaq rules and regulations. Our Code of Conduct can be found on our website at www.yatra.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our financial statements prepared in accordance with IFRS as issued by IASB are audited by Ernst & Young Associates LLP, a firm registered with the Public Company Accounting Oversight Board in the United States.

Ernst & Young Associates LLP, has served as our independent registered public accountant for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 for which audited statements appear in this Annual Report.

The following table shows the aggregate fees for services rendered by Ernst & Young Associates LLP to us, including our subsidiaries, in fiscal years 2020 and 2019.

	Fiscal	
	2019	2020
Audit fees (audit and review of financial statements)	INR 29,037	INR 26,513
Audit-related fees (including fees related to the offerings and other miscellaneous audit-related certifications)	4,893	—
Tax fees (other certifications and tax advisory services)	7,272	—
All Other fees (advisory services)	—	10,208
Total	41,202	INR 36,721

Audit Committee Pre-approval Process

Our audit committee reviews and pre-approves the scope and the cost of audit services related to us and permissible non-audit services performed by the independent auditors, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table provides information about purchases by us during fiscal year 2019 of our outstanding ordinary shares, par value \$0.0001 per share:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(1)</u>
Up to 3/31/2019	18,892	INR 593.85	11,219,014	NIL
4/1/2019 - 3/31/2020	NIL	NIL	NIL	NIL
4/1/2020 - 4/30/2020	NIL	NIL	NIL	NIL
5/1/2020 - 5/31/2020	NIL	NIL	NIL	NIL
6/1/2020 - 6/30/2020	NIL	NIL	NIL	NIL
Total	18,892	593.85	11,219,014	NIL

- (1) On January 12, 2017, the Board of Directors had accorded their consent to purchase the outstanding ordinary shares, par value \$0.0001 per share of the Company from the employees and grantees in order to settle their tax obligations. We repurchased 18,892 ordinary shares at an average price of approximately INR 593.85 per share (excluding broker and transaction fees) in fiscal year 2017, respectively.
- (2) The average price paid per share excludes broker and transaction fees.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

The Nasdaq Marketplace Rules, or the Nasdaq Rules, provide that foreign private issuers may follow home country practice in lieu of the corporate governance requirements of the Nasdaq Stock Market LLC, subject to certain exceptions and requirements and except to the extent that such exemptions would be contrary to US Federal securities laws and regulations. To date, we have followed and intend to continue to follow the applicable corporate governance standards under the Nasdaq Marketplace Rules.

In accordance with Rule 5250(d)(1) under Nasdaq Marketplace Rules, we will post this Annual Report on our company website at www.yatra.com. In addition, we will provide hard copies of our Annual Report free of charge to shareholders upon request.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See "Item 18. Financial Statements" for a list of the financial statements filed as part of this Annual Report.

ITEM 18. FINANCIAL STATEMENTS

- Our consolidated financial statements are included in this Annual Report at pages F-1 through [F-83].

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report:

- 1.1 [Memorandum and Articles of Association of the Registrant as in effect prior to this offering \(incorporated by reference to Exhibit D to Annex A to the Registrant's Form F-4/A filed on November 15, 2016\).](#)
- 2.1 [Warrant Agreement, dated July 16, 2014, between Terrapin 3 Acquisition Corporation \(n/k/a Yatra USA Corp.\) and Continental Stock Transfer & Trust Company \(incorporated by reference to Exhibit 4.1 to the Registrant's Form F-1/A filed on February 9, 2017\).](#)
- 2.2 [Assignment, Assumption and Amendment Agreement, dated December 16, 2016, among the Registrant, Terrapin 3 Acquisition Corporation and Continental Stock Transfer & Trust Company \(incorporated by reference to Exhibit 4.2 to the Registrant's Form F-1/A filed on February 9, 2017\).](#)
- 4.1 [Form of Subscription Agreement between the Registrant and the Investors party thereto \(incorporated by reference to Exhibit 10.1 to the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.2 [2006 Share Plan of the Registrant, and forms of agreements thereunder \(incorporated by reference to Exhibit 10.3 to the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.3# [Subscriber Agreement between Yatra Online Private Limited and InterGlobe Technologies Inc., dated December 29, 2015 \(incorporated by reference to Exhibit 10.4 to the Registrant's Form F-4/A filed on November 15, 2016\).](#)
- 4.4 [Amended and Restated Business Combination Agreement among the Registrant, T3 Parent Corp., T3 Merger Sub Corp., Terrapin 3 Acquisition Corporation, MIHI LLC and Shareholder Representative Services LLC, dated September 28, 2016 \(incorporated by reference to Annex A to the proxy statement/prospectus forming part of the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.5 [Letter Agreement, dated September 27, 2016, among Yatra Online, Inc., a Cayman Islands exempted company limited by shares, Dhruv Shringi, E-18 Limited, Capital18 Fincap Private Limited, Haresh Chawla, Harshal Shah, IDG Ventures India Fund II LLC, Pandara Trust Scheme I, Intel Capital Corporation, Macquarie Corporate Holdings Pty Limited, Manish Amin, Norwest Venture Partners IX, LP, Norwest Venture Partners X, LP, Rajasthan Trustee Company Pvt Ltd A/c SME Tech Fund RVCF Trust II, Reliance Capital Limited, Valiant Capital Master Fund LP, Valiant Capital Partners LP, Vertex Asia Fund Pte. Ltd. and Wortal, Inc. \(incorporated by reference to Exhibit 10.17 to the Registrant's Form F-4/A filed on November 15, 2016\).](#)

- 4.6 [Repurchase Agreement, dated September 28, 2016, among Yatra Online, Inc., a Cayman Islands exempted company limited by shares, E-18 Limited, Capital18 Fincap Private Limited, IDG Ventures India Fund II LLC, Pandara Trust Scheme I, Intel Capital Corporation, Macquarie Corporate Holdings Pty Limited, Norwest Venture Partners IX, LP, Norwest Venture Partners X, LP, Rajasthan Trustee Company Pvt Ltd A/c SME Tech Fund RVCF Trust II, Reliance Capital Limited, SVB Financial Group, Valiant Capital Master Fund LP, Valiant Capital Partners LP and Vertex Asia Fund Pte. Ltd. \(incorporated by reference to Exhibit 10.18 to the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.7 [Support Agreement, dated September 28, 2016, among Yatra Online, Inc., a Cayman Islands exempted company limited by shares, Dhruv Shringi, E-18 Limited, Capital18 Fincap Private Limited, Haresh Chawla, Harshal Shah, IDG Ventures India Fund II LLC, Pandara Trust Scheme I, Intel Capital Corporation, Macquarie Corporate Holdings Pty Limited, Manish Amin, Norwest Venture Partners IX, LP, Norwest Venture Partners X, LP, Rajasthan Trustee Company Pvt Ltd A/c SME Tech Fund RVCF Trust II, Reliance Capital Limited, SVB Financial Group, Valiant Capital Master Fund LP, Valiant Capital Partners LP, Vertex Asia Fund Pte. Ltd. and Wortal, Inc. \(incorporated by reference to Exhibit 10.19 to the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.8 [Share Subscription Cum Shareholders Agreement, dated April 29, 2015, among Yatra Online Private Limited, IL & FS Trust Company Limited acting as trustee for Pandara Trust Scheme I, Capital18 Fincap Private Limited and Yatra Online, Inc., a Cayman Islands exempted company limited by shares \(incorporated by reference to Exhibit 10.20 to the Registrant's Form F-4/A filed on November 21, 2016\).](#)
- 4.9 [Exchange and Support Agreement, dated December 16, 2016, by and among the Registrant, Yatra USA Corp. and the holders of Class F Common Stock party thereto \(incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K filed on December 22, 2016\).](#)
- 4.10 [Letter Agreement, dated as of December 15, 2016, by and among the Registrant, Dhruv Shringi, Manish Amin, Harshal Shah, Haresh Chawla, Wortal, Inc., Norwest Venture Partners X, LP, Norwest Venture Partners IX, LP, Vertex Asia Fund Pte. Ltd., Rajasthan Trustee Company Pvt Ltd A/c SME Tech Fund RVCF Trust II, IDG Ventures India Fund II LLC, Reliance Capital Limited, E-18 Limited, Intel Capital Corporation, Valiant Capital Master Fund LP, Valiant Capital Partners LP, Capital18 Fincap Private Limited, Pandara Trust Scheme I, and Macquarie Corporate Holdings Pty Limited \(incorporated by reference to Exhibit 4.10 to the Registrant's Annual Report on Form 20-F filed on July 31, 2018\).](#)
- 4.11 [Forward Purchase Contract Amendment, dated as of December 16, 2016, among the Registrant, MIHI LLC and Yatra USA Corp. \(incorporated by reference to Exhibit 10.2 to the Registrant's Report of Foreign Private Issuer on Form 6-K filed on December 22, 2016\).](#)
- 4.12 [Letter Agreement, dated as of December 16, 2016, by and among the Registrant, Yatra USA Corp., MIHI LLC, Apple Orange LLC, Noyac Path LLC, Periscope, LLC, Terrapin Partners Employee Partnership 3 LLC, Terrapin Partners Green Employee Partnership, LLC, Jonathan Kagan, George Brokaw and Victor Mendelson \(incorporated by reference to Exhibit 10.3 to the Registrant's Report of Foreign Private Issuer on Form 6-K filed on December 22, 2016\).](#)

- 4.13 [2016 Stock Option and Incentive Plan and forms of agreements thereunder \(incorporated by reference to Exhibit 10.2 to the Registrant's Form S-8 filed on June 5, 2017\).](#)
- 4.14 [Term Loan Agreement, dated September 12, 2017, by and among the Registrant, Asia Consolidated DMC Pte. Ltd. and Innoven Capital Singapore Pte. Ltd. \(incorporated by reference to Exhibit 10.28 to the Registrant's Form F-1 filed on December 19, 2017\).](#)
- 4.15 [Term Loan Agreement, dated September 12, 2017, by and among the Registrant, Yatra Online Private Limited and Innoven Capital India Private Limited \(incorporated by reference to Exhibit 10.29 to the Registrant's Form F-1 filed on December 19, 2017\).](#)
- 4.16 [Indenture for Senior Debt Securities, dated May 3, 2018 between the Registrant and Computershare Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.5 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.17 [Indenture for Subordinated Debt Securities, dated May 3, 2018 between the Registrant and Computershare Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.6 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.18 [Investor Rights Agreement, dated December 16, 2016, between the Registrant and the Investors party thereto \(incorporated by reference to Exhibit 4.22 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.19 [Working Capital Facility Agreement, dated June 22, 2017, between Yatra Online Private Limited and ICICI Bank Limited \(incorporated by reference to Exhibit 4.24 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.20 [Deed of Hypothecation, dated September 12, 2017, by and between Innoven Capital India Private Limited and Yatra Online Private Limited \(incorporated by reference to Exhibit 4.25 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.21 [Unconditional Guarantee, dated September 12, 2017, by and among Yatra Online, Inc., Innoven Capital India Private Limited and Yatra Online Private \(incorporated by reference to Exhibit 4.26 to the Registrant's Form F-3 filed on May 3, 2018\).](#)
- 4.22 [Advertisement Agreement, dated January 11, 2019, between Bennett, Coleman and Company Limited and Yatra Online Private Limited \(incorporated by reference to Exhibit 99.2 to the Registrant's Foreign Report on Form 6-K filed on January 31, 2019\).](#)
- 4.23 [Non Convertible Debenture Subscription Agreement dated January 11, 2019 between Benett, Coleman and Company Limited, Yatra Online Private Limited and Yatra Online, Inc. \(incorporated by reference to Exhibit 99.3 to the Registrant's Report of Foreign Private Issuer on Form 6-K filed on January 31, 2019\).](#)
- 4.24† [Merger Agreement, by and among Ebix, Inc., EbixCash Travels, Inc. and Yatra Online, Inc., dated as of July 16, 2019 \(incorporated by reference to Exhibit 2.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K filed on July 17, 2019\).](#)
- 4.25 [Credit Arrangement Letter, dated August 14, 2018, between Air Travel Bureau Limited \(n/k/a Air Travel Bureau Private Limited\) and ICICI Bank Limited \(incorporated by reference to Exhibit 4.25 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019\).](#)
- 4.26 [Facility Agreement, dated August 16, 2018, between Air Travel Bureau Limited \(n/k/a Air Travel Bureau Private Limited\) and ICICI Bank Limited \(incorporated by reference to Exhibit 4.26 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019\).](#)

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4.27	Renewal Credit Arrangement Letter, dated May 28, 2019, between Air Travel Bureau Private Limited and ICICI Bank Limited (incorporated by reference to Exhibit 4.27 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019).
4.28	Amendatory Credit Arrangement Letter, dated April 16, 2019, between Yatra Online Private Limited and ICICI Bank Limited (incorporated by reference to Exhibit 4.28 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019).
4.29	Supplemental and Amendatory Agreement to the Facility Agreement, dated June 7, 2019, between Air Travel Bureau Private Limited and ICICI Bank Limited (incorporated by reference to Exhibit 4.29 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019).
4.30+†	Global Agreement, dated July 1, 2017, between Yatra Online Private Limited and Amadeus IT Group, S.A. (incorporated by reference to Exhibit 4.30 to the Registrant's Annual Report on Form 20-F/A filed on August 5, 2019).
8.1	List of significant subsidiaries of Yatra Online, Inc. (incorporated by reference to Exhibit 21.1 to the Registrant's Form F-1 filed on January 23, 2017)
12.1*	Certification by the Chief Executive Officer pursuant to 17 CFR 240.15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2*	Certification by the Principal Financial Officer and Principal Accounting Officer pursuant to 17 CFR 240.15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1**	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2**	Certification by the Principal Financial Officer and Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1*	Consent of Ernst & Young Associates LLP, independent registered public accounting firm.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Notes:

- * Filed herewith
- ** Furnished herewith.
- # Confidential treatment requested
- + Certain portions of this exhibit will be omitted because they are not material and would likely cause competitive harm to the registrant if disclosed.
- † Schedules and other similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant hereby undertakes to furnish supplemental copies of any of the omitted schedules and other similar attachments upon request by the Securities and Exchange Commission.

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YATRA ONLINE, INC.

For the Years Ended March 31, 2018, 2019 and 2020

[Report of Independent Registered Public Accounting Firm](#)

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[Consolidated statement of profit or loss and other comprehensive loss for the year ended March 31, 2020](#)

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[Consolidated statement of changes in equity for the year ended March 31, 2020](#)

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Yatra Online, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Yatra Online, Inc. (the Company) as of March 31, 2020 and 2019, the related consolidated statements of profit or loss and other comprehensive loss, changes in equity and cash flows for each of the three years in the period ended March 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young Associates LLP

We have served as the Company's auditor since 2015.

Gurugram, India
July 31, 2020

Yatra Online, Inc.

Consolidated statement of profit or loss and other comprehensive loss
for the year ended March 31, 2020

(Amount in thousands, except per share data and number of shares)

	Notes	Year Ended March 31,			
		2018	2019	2020	
		INR	INR	INR	USD
					(refer to Note 2.4)
Revenue					
Rendering of services	8	11,746,416	8,420,104	6,265,274	83,105
Other revenue	9	502,097	938,476	994,081	13,186
Total revenue		12,248,513	9,358,580	7,259,355	96,291
Other income	10	90,001	263,785	159,631	2,117
Service cost		4,930,757	4,282,803	2,922,929	38,771
Personnel expenses	11	2,902,840	2,550,214	1,777,273	23,574
Marketing and sales promotion expenses		4,153,920	809,996	196,209	2,603
Other operating expenses	12	3,285,530	3,975,805	2,259,261	29,968
Depreciation and amortization	13	425,600	581,746	666,369	8,839
Impairment of goodwill	20	—	—	221,999	2,945
Results from operations		(3,360,133)	(2,578,199)	(625,054)	(8,292)
Share of loss of joint venture	14	(10,559)	(12,772)	(10,784)	(143)
Finance income	15	91,912	41,310	58,641	778
Finance cost	16	(153,056)	(263,290)	(193,287)	(2,564)
Change in fair value of warrants—(loss)/ gain		(563,253)	1,667,193	94	1
Loss before taxes		(3,995,089)	(1,145,758)	(770,390)	(10,220)
Tax expense	17	(56,887)	(47,837)	(69,805)	(926)
Loss for the period		(4,051,976)	(1,193,595)	(840,195)	(11,146)
Other comprehensive loss					
Items not to be reclassified to profit or loss in subsequent periods (net of taxes)					
Remeasurement (loss)/gain on defined benefit plan	31	(4,860)	(5,526)	24,515	325
Items that are or may be reclassified subsequently to profit or loss (net of taxes)					
Foreign currency translation differences loss	31	(9,879)	(4,834)	(28,658)	(380)
Other comprehensive loss for the period, net of tax		(14,739)	(10,360)	(4,143)	(55)
Total comprehensive loss for the period, net of tax		(4,066,715)	(1,203,955)	(844,338)	(11,201)
Loss attributable to:					
Owners of the Parent Company		(3,993,140)	(1,148,203)	(833,808)	(11,060)
Non-controlling interest		(58,836)	(45,392)	(6,387)	(86)
Loss for the period		(4,051,976)	(1,193,595)	(840,195)	(11,146)
Total comprehensive loss attributable to:					
Owners of the Parent Company		(4,007,784)	(1,158,484)	(838,302)	(11,121)
Non-controlling interest		(58,931)	(45,471)	(6,036)	(80)
Total comprehensive loss for the period		(4,066,715)	(1,203,955)	(844,338)	(11,201)
Loss per share	18				
Basic		(116.41)	(26.37)	(17.94)	(0.24)
Diluted		(116.41)	(26.95)	(17.94)	(0.24)

The accompanying notes are an integral part of the consolidated financial statements.

Yatra Online, Inc.

Consolidated statement of financial position

as at March 31, 2020

(Amount in thousands, except per share data and number of shares)

	Notes	March 31, 2019	March 31, 2020	
		INR	INR	USD
(refer to Note 2.4)				
Assets				
Non-current assets				
Property, plant and equipment	19	155,434	62,563	830
Right-of-use assets	44	—	538,422	7,142
Intangible assets and goodwill	20	2,236,481	1,702,693	22,585
Prepayments and other assets	21	7,866	3,114	41
Other financial assets	22	30,631	30,233	401
Term deposits	23	23,548	800	11
Other non-financial assets	24	254,914	223,618	2,966
Deferred tax asset	25	123,169	93,831	1,245
Total non-current assets		2,832,043	2,655,274	35,221
Current assets				
Inventories		3,807	2,490	33
Trade and other receivables	26	4,921,270	2,368,395	31,415
Prepayments and other assets	21	899,908	851,950	11,301
Income tax receivable		495,583	486,261	6,450
Other current financial assets	27	232,287	273,926	3,633
Term deposits	23	1,005,985	754,524	10,008
Cash and cash equivalents	28	2,161,014	1,365,370	18,111
Total current assets		9,719,854	6,102,916	80,951
Total assets		12,551,897	8,758,190	116,172
Equity and liabilities				
Equity				
Share capital	29	713	714	9
Share premium	29	18,884,105	18,889,154	250,553
Treasury shares	29	(11,219)	(11,219)	(149)
Other capital reserve	30	735,988	689,295	9,143
Accumulated deficit		(17,256,409)	(18,053,916)	(239,474)
Foreign currency translation reserve		6,571	(22,087)	(293)
Total equity attributable to equity holders of the Company		2,359,749	1,491,941	19,789
Total non-controlling interest		19,421	19,033	252
Total equity		2,379,170	1,510,974	20,041
Non-current liabilities				
Borrowings	32	24,587	485,587	6,441
Trade and other payables	33	3,097	27,774	368
Deferred tax liability	25	42,503	37,645	499
Employee benefits	34	81,849	56,837	754
Deferred revenue	35	96,392	232,069	3,078
Other financial liabilities	36	94	2	1
Other non-financial liability	37	2,303	—	—
Total non-current liabilities		250,825	839,914	11,141
Current liabilities				
Borrowings	32	1,151,818	1,039,498	13,788
Trade and other payables	33	5,264,949	2,859,370	37,930
Employee benefits	34	97,156	79,396	1,053
Deferred revenue	35	579,319	125,847	1,669
Income taxes payable		4,080	204	3
Other financial liabilities	36	1,756,203	1,342,337	17,805
Other current liabilities	38	1,068,377	960,650	12,742
Total current liabilities		9,921,902	6,407,302	84,990
Total liabilities		10,172,727	7,247,216	96,131
Total equity and liabilities		12,551,897	8,758,190	116,172

The accompanying notes are an integral part of the consolidated financial statements.

Yatra Online, Inc.

Consolidated statement of changes in equity for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

	Attributable to shareholders of the Parent Company						Total	Non-controlling interest	Total equity
	Equity share capital	Equity share premium	Treasury shares	Accumulated deficit	Other capital reserve	Foreign currency translation reserve			
Balance as at April 1, 2017	633	14,438,936	(54,371)	(12,003,430)	733,448	22,271	3,137,487	52,082	3,189,569
Loss for the year	—	—	—	(3,993,140)	—	—	(3,993,140)	(58,836)	(4,051,976)
Other comprehensive loss									
Foreign currency translation differences loss	—	—	—	—	—	(9,879)	(9,879)	—	(9,879)
Remeasurement loss on defined benefit plan	—	—	—	(4,765)	—	—	(4,766)	95	(4,860)
Total other comprehensive loss	—	—	—	(4,765)	—	(9,879)	(14,645)	(94)	(14,739)
Total comprehensive loss	—	—	—	(3,997,906)	—	(9,879)	(4,007,784)	58,931	(4,066,715)
Share-based payments	—	—	—	2,802	727,118	—	729,920	—	729,920
Transaction with equity shareholders*	—	(112,406)	—	—	—	—	(112,406)	—	(112,406)
Exercise of options	5	636,085	24,287	—	(650,860)	(1,177)	8,340	—	8,340
Issuance of warrants	—	—	—	—	23,258	—	23,258	—	23,258
Contingent dividend	—	—	—	2,755	—	—	2,755	—	2,755
Change in non-controlling interest**	—	—	—	(6,487)	—	—	(6,487)	6,488	—
Total contribution by owners	5	523,679	24,287	(930)	99,516	(1,177)	645,380	6,488	651,867
Balance as at March 31, 2018	638	14,962,615	(30,084)	(16,002,266)	832,964	11,215	(224,918)	(361)	(225,279)

* Transaction with equity shareholders represent tax deposited on behalf of restricted stock holders.

** Change in non-controlling interest represents shares of a subsidiary issued to the Parent Company. The percentage holding of the parent is 98.22% as of March 31, 2018 (98.20% as of March 31, 2017)

The accompanying notes are an integral part of the consolidated financial statements

Yatra Online, Inc.

Consolidated statement of changes in equity (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

	Attributable to shareholders of the Parent Company						Total	Non-controlling Interest	Total equity
	Equity share capital (Note 29)	Equity share premium (Note 29)	Treasury shares (Note 29)	Accumulated deficit	Other capital reserve (Note 30)	Foreign currency translation reserve			
Balance as at April 1, 2018	638	14,962,615	(30,084)	(16,002,266)	832,964	11,215	(224,918)	(361)	(225,279)
Effect of adoption of new accounting standards updated	—	—	—	(38,110)	—	—	(38,110)	—	(38,110)
Balance as at April 1, 2018	638	14,962,615	(30,084)	(16,040,376)	832,964	11,215	(263,028)	(361)	(263,389)
Loss for the period	—	—	—	(1,148,203)	—	—	(1,148,203)	(45,392)	(1,193,595)
Other comprehensive loss									
Foreign currency translation differences loss	—	—	—	—	—	(4,834)	(4,834)	—	(4,834)
Remeasurement loss on defined benefit plan	—	—	—	(5,447)	—	—	(5,447)	(79)	(5,526)
Total other comprehensive loss	—	—	—	(5,447)	—	(4,834)	(10,281)	(79)	(10,360)
Total comprehensive loss	—	—	—	(1,153,650)	—	(4,834)	(1,158,484)	(45,471)	(1,203,955)
Share based payments	—	—	650	2,870	279,363	—	282,883	—	282,883
Exercise of options	4	357,981	18,215	—	(376,339)	190	51	—	51
Issuance of shares	71	3,667,843	—	—	—	—	3,667,914	—	3,667,914
Cost of issuance of shares	—	(104,334)	—	—	—	—	(104,334)	—	(104,334)
Change in non-controlling interest*	—	—	—	(65,253)	—	—	(65,253)	65,253	—
Total contribution by owners	75	3,921,490	18,865	(62,383)	(96,976)	190	3,781,261	65,253	3,846,514
Balance as at March 31, 2019	713	18,884,105	(11,219)	(17,256,409)	735,988	6,571	2,359,749	19,421	2,379,170

* Transaction with non-controlling interest represents shares of a subsidiary issued to the Parent Company. The percentage holding of the parent is 98.53% as of March 31, 2019 (98.22% as of March 31, 2018). (refer to Note 6)

The accompanying notes are an integral part of the consolidated financial statements

Yatra Online, Inc.

Consolidated statement of changes in equity (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

	Attributable to shareholders of the Parent Company						Total	Non-controlling interest	Total equity
	Equity share capital (Note 29)	Equity share premium (Note 29)	Treasury shares (Note 29)	Accumulated deficit	Other capital reserve (Note 30)	Foreign currency translation reserve			
Balance as at April 1, 2019	713	18,884,105	(11,219)	(17,256,409)	735,988	6,571	2,359,749	19,421	2,379,170
Effect of adoption of new accounting standards (refer note 2.2)	—	—	—	(28,562)	—	—	(28,562)	(431)	(28,993)
Balance as at April 1, 2019	713	18,884,105	(11,219)	(17,284,971)	735,988	6,571	2,331,187	18,990	2,350,177
Loss for the period	—	—	—	(833,808)	—	—	(833,808)	(6,387)	(840,195)
Other comprehensive loss									
Foreign currency translation differences loss	—	—	—	—	—	(28,658)	(28,658)	—	(28,658)
Remeasurement gain on defined benefit plan	—	—	—	24,164	—	—	24,164	351	24,515
Total other comprehensive loss	—	—	—	24,164	—	(28,658)	(4,494)	351	(4,143)
Total comprehensive loss	—	—	—	(809,644)	—	(28,658)	(838,302)	(6,036)	(844,338)
Transactions with owners, recorded directly in equity contributions by owners									
Share based payments	—	—	—	46,778	(41,643)	—	5,135	—	5,135
Exercise of options	1	5,049	—	—	(5,050)	—	—	—	—
Change in non-controlling interest*	—	—	—	(6,079)	—	—	(6,079)	6,079	—
Total contribution by owners	1	5,049	—	40,699	(46,693)	—	(944)	6,079	5,135
Balance as at March 31, 2020	714	18,889,154	(11,219)	(18,053,916)	689,295	(22,087)	1,491,941	19,033	1,510,974

* Change in non-controlling interest represents shares of a subsidiary issued to the Parent Company. The percentage holding of the parent is 98.56% as of March 31, 2020 (98.53% as of March 31, 2019), (refer to Note 6).

The accompanying notes are an integral part of the consolidated financial statements

Yatra Online, Inc.

Consolidated statement of cash flows

for the year ended March 31, 2020

(Amount in thousands, except per share data and number of shares)

	Notes	March 31			USD (refer to Note 2.4)
		2018	2019	2020	
		INR	INR	INR	
Cash flows from operating activities:					
Loss before tax		(3,995,089)	(1,145,758)	(770,390)	(10,220)
Adjustments to reconcile loss before tax to net cash flows:					
Depreciation and amortization	13	425,600	581,746	666,369	8,839
Contingent dividend		(292)	—	—	—
Gain on termination of leases	10	—	—	(27,241)	(361)
Change in fair value of contingent consideration	43	294,344	485,282	(390,009)	(5,173)
Finance income	15	(83,041)	(39,486)	(27,817)	(369)
Finance costs	16	125,342	147,705	166,134	2,204
Impairment of goodwill	20	—	—	221,999	2,945
Unrealized foreign exchange gain		(4,392)	(15,866)	(10,932)	(145)
Gain on disposal of property, plant and equipment	10	(1,370)	(5,050)	(4,842)	(64)
Change in fair value of warrants		563,253	(1,667,193)	(94)	(1)
Excess provision written back	10	(42,614)	(31,832)	(58,590)	(777)
Advances/provision written off	12	11,703	10,299	12,364	164
Trade and other receivables provision / written-off	12	119,388	304,663	93,000	1,234
Share of loss of a joint venture	14	10,559	12,772	10,784	143
Share-based payment expense	11	729,920	282,883	5,135	68
Working capital changes:					
Decrease/ (increase) in trade and other receivables		(824,920)	(1,316,454)	2,489,784	33,025
Decrease/ (increase) in inventories		(4,006)	20,142	1,428	19
Increase/ (decrease) in trade and other payables		1,898,796	(920,858)	(2,887,757)	(38,304)
Direct taxes paid (net of refunds)		(105,122)	(245,129)	(39,681)	(526)
Net cash used in operating activities		(881,941)	(3,542,134)	(550,356)	(7,299)
Cash flows from investing activities:					
Acquisition of business (net of cash acquired)	43	(353,457)	(253,448)	—	—
Investment in joint venture	14	—	—	(3,500)	(46)
Purchase of property, plant and equipment		(223,215)	(30,157)	(15,572)	(207)
Proceeds from sale of property, plant and equipment		2,297	10,553	23,404	310
Purchase/development of intangible assets		(353,061)	(394,147)	(203,751)	(2,703)
Investment in term deposits		(5,262,906)	(2,634,374)	(1,091,549)	(14,479)
Proceeds from term deposits		7,404,456	2,640,748	1,383,049	18,345
Interest received		6,945	10,500	4,562	61
Net cash from/(used in) investing activities		1,221,059	(650,325)	96,643	1,281
Cash flows from financing activities:					
Payment of principal portion of lease liabilities	44	—	—	(47,340)	(628)
Payment of interest portion of lease liabilities	44	—	—	(56,394)	(748)
Proceeds from issue of share capital (net of cost of issuance of shares)		5,801	3,563,630	—	—
Transaction with equity shareholders	29	(112,406)	—	—	—
Proceeds of borrowings	32	1,400,239	—	—	—
Repayment of borrowings	32	(595,734)	(502,362)	(342,591)	(4,544)
Repayment of vehicle loan	32	(17,804)	(24,312)	(25,870)	(343)
Proceeds from invoice discounting	32	—	—	917,166	12,166
Repayment of invoice discounting	32	—	—	(665,262)	(8,824)
Interest paid on term loan	16	(61,906)	(72,281)	(16,876)	(224)
Interest paid on vehicle loan	16	(4,092)	(4,830)	(2,382)	(32)
Interest paid on bank overdraft	16	(36,916)	(55,265)	(93,922)	(1,246)
Net cash from/(used in) financing activities		577,182	2,904,580	(333,471)	(4,423)
Net increase/ (decrease) in cash and cash equivalents		916,300	(1,287,879)	(787,184)	(10,441)
Effect of exchange differences on cash and cash equivalents		16,144	186,477	69,742	925
Cash and cash equivalents at the beginning of the year		1,532,629	2,465,073	1,363,671	18,088
Closing cash and cash equivalents at the end of the year		2,465,073	1,363,671	646,229	8,572
Components of cash and cash equivalents:					
Cash on hand		2,511	2,859	1,742	23
Balances with banks					
On current account		2,218,400	1,756,322	1,089,764	14,455
On deposit accounts		11,099	—	—	—
Fixed deposits with banks		—	—	250,000	3,316
Cash in transit		23,902	11,498	—	—
Credit card collection in hand		209,161	390,335	23,864	317
Total cash and cash equivalents	28	2,465,073	2,161,014	1,365,370	18,111
Less: Bank overdrafts	32	—	(797,343)	(719,141)	(9,539)
Total cash and cash equivalents		2,465,073	1,363,671	646,229	8,572

The accompanying notes are an integral part of the consolidated financial statements.

Yatra Online, Inc.

Notes to the consolidated financial statements

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

1. Corporate information

Yatra Online, Inc. (the "Parent Company") together with its subsidiaries (collectively, "the Company", "We" or the "Group") and equity accounted investee is primarily engaged in the business of selling travel products and solutions in India and Singapore. The Group offers its customers the entire range of travel services including ticketing, tours and packages and reservations for hotels. The Parent Company is a public limited company incorporated and domiciled and incorporated in Cayman Islands; the registered office is located at Maples Corporate Services Limited, PO Box-309, Uglund House, Grand Cayman, KYI-1104 Cayman Islands. The Company's ordinary shares representing equity shares are listed on the NASDAQ Stock Exchange. Additional information in relation to the Group structure is provided in Note 6.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements for March 31, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Accounting policies have been consistently applied by the Group for all the periods presented in these financial statements, except in relation to the new standards adopted on April 1, 2019 (Refer Note 2.2).

The consolidated financial statements of the Company for the year ended March 31, 2020 were authorized for issuance by the Parent's board of directors on July 31, 2020.

The consolidated financial statements are prepared on historical cost basis, except for financial instruments which are classified as fair value through profit or loss or fair value through other comprehensive income/ loss.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.2 New standards, interpretations and amendments adopted by the Group

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****2. Significant accounting policies (Continued)**

The effect of adoption IFRS 16 as at April 1, 2019 (increase/(decrease)) is, as follows:

	As at March 31, 2019	Adjustments due to adoption of IFRS 16	Balance at April 1, 2019
Assets			
Non-current assets			
Property, plant and equipment	155,434	(6,294)	149,140
Right-of-use assets	—	189,988	189,988
Deferred tax asset	123,169	1,039	124,208
Other non-financial assets	254,914	(12,922)	241,992
Equity and liabilities			
Equity			
Accumulated deficit	(17,256,409)	(28,562)	(17,284,971)
Total non-controlling interest	19,421	(431)	18,990
Non-current liabilities			
Borrowings	24,587	164,168	188,755
Other non-financial liability	2,303	(2,303)	—
Current liabilities			
Borrowings	1,151,818	42,156	1,193,974
Other current liabilities	1,068,377	(3,217)	1,065,160

The Group has lease contracts for buildings, motor vehicles and other equipments. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Refer to Note 2.5 for the accounting policy of leases.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application, adjusted for any related prepaid and

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****2. Significant accounting policies (Continued)**

accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. For more information on incremental borrowing rate, refer to Note 4.2.

The Group also applied the available practical expedients wherein it:

- a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- d) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at April 1, 2019:

- Right-of-use assets of INR 189,988 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of INR 6,294 that were reclassified from Property, plant and equipment.
- Additional lease liabilities of INR 210,130 (included in Interest bearing loans and borrowings) were recognised.
- Other non-financial assets of INR 12,922 and Other current liabilities of INR 3,217 related to previous operating leases were derecognised.
- Deferred tax liabilities decreased by INR 1,039 because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments had been adjusted to retained earnings INR 28,562 and non-controlling interest INR 431.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

<u>Assets</u>	<u>April 1, 2019</u>
Operating lease commitments as at April 1, 2019	759,046
Weighted average incremental borrowing rate as at April 01, 2019	14.40%
Discounted operating lease commitments as at April 01, 2019	226,839
Less:	
Commitments relating to short-term leases	(20,515)
Add:	
Commitments relating to leases previously classified as finance leases	3,806
Lease liabilities as at April 1, 2019	<u>210,130</u>

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*

In June 2017, IASB issued IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments* which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. According to IFRIC 23, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company adopted IFRIC 23 effective April 1, 2019. The adoption has no material impact on the consolidated financial statements.

Amendment to IAS19—plan amendment, curtailment or settlement:

On February 7, 2018, the IASB issued amendments to the guidance in IAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after January 1, 2019, although early application is permitted.

The Company adopted IAS 19 effective April 1, 2019. The adoption has a no material impact on the consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as disclosed in Note 6.

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiaries are fully consolidated from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the business combination and the Non-controlling interests' share of changes in equity since that date.

Profit or loss and each component of other comprehensive income/ loss (OCI) are attributed to the equity holders of the parent of the Group and to the Non-controlling interests, even if this results in the Non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

2.4 Foreign currencies

The Group's presentation currency is Indian national rupee (INR). The Parent Company's functional currency is United States dollar (USD). The Company's operations are conducted through the subsidiaries and equity accounted investee where the local currency is the functional currency and the financial statements of such entities are translated from their respective functional currencies into INR.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into presentation currency at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive loss are translated at average exchange rates prevailing during the year ended March 31, 2020, March 31, 2019 and March 31, 2018, except for transactions where there is a significant difference in the exchange rate, in which cases, the transactions are reported using rate of that date. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit or loss and other comprehensive loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transactions first qualify for recognition.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss and other comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Convenience translation

The consolidated financial statements are stated in thousands of INR. However, solely for the convenience of the readers, the consolidated statement of financial position as at March 31, 2020, the consolidated statement of profit or loss and other comprehensive loss for the year ended March 31, 2020 and consolidated statement of cash flows for the year ended March 31, 2020 were converted into USD at the exchange rate of 75.39 INR per USD, which is based on the noon buying rate as at March 31, 2020, in The City of New York for cable transfers of Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York. This arithmetic conversion should not be construed as representation that the amounts expressed in INR may be converted into USD at that or any other exchange rate as well as that such numbers are in compliance as per the requirements of IFRS. Such convenience translation is not subject to audit by the Company's Independent Registered Public Accounting Firm.

2.5 Summary of significant accounting policies

Joint ventures

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in the joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit or loss and other comprehensive loss reflects the Group's share of the results of operations of the joint venture. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as that of the Group.

At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of loss of a joint venture' in the statement of profit or loss and other comprehensive loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition-related costs are expensed as incurred in statement of profit or loss and other comprehensive loss.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for Non-controlling Interest over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the statement of profit or loss and other comprehensive loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash Generating Units (CGUs) (refer to Note 20) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combinations which do not fall under the scope as defined under IFRS 3, are accounted in accordance with relevant IFRS as issued by the IASB and other relevant pronouncements.

Revenue recognition

We generate our revenue from contracts with customers. We recognize revenue when we satisfy a performance obligation by transferring control of the promised services to a customer in an amount that reflects the consideration that we expect to receive in exchange for those services. When we act as an agent in the transaction under IFRS 15, we recognize revenue only for our commission on the arrangement. The Group has concluded that it is acting as agent in case of sale of airline tickets, hotel bookings, sale of rail and bus tickets as the supplier is primarily responsible for providing the underlying travel services and the Group does not control the service provided by the supplier to the traveler and as principal in case of sale of holiday packages since the group controls the services before such services are transferred to the traveler.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

The Group provides travel products and services to leisure customers (B2C—Business to Consumer), corporate travelers (B2E—Business to Enterprise) and B2B2C (Business to Business to Consumer) travel agents in India and abroad. The revenue from rendering these services is recognized in the statement of profit or loss and other comprehensive loss once the services are rendered. This is generally the case 1) on issuance of ticket in case of sale of airline tickets 2) on date of hotel booking and 3) on the date of completion of outbound and inbound tours and packages.

The application of our revenue recognition policies and a description of our principal activities, organized by segment, from which we generate our revenue, are presented below.

Air Ticketing

We receive commissions or service fees from the travel supplier/bank and/or travelling customer. Revenue from the sale of airline tickets is recognized as an agent on a net commission earned basis. Revenue from service fee is recognized on earned basis. Both the performance obligations are satisfied on issuance of airline ticket to the traveler. We record a allowance for cancellations at the time of the transaction based on historical experience.

Incentives from airlines are recognized when the performance thresholds under the incentive schemes are achieved or are probable to be achieved at the end of periods.

Hotels and Packages

Revenue from hotel reservation is recognized as an agent on a net commission earned basis. Revenue from service fee from customer is recognized on earned basis. Both the performance obligations are satisfied on the date of hotel booking. We record an allowance for cancellations at the time of booking on this revenue based on historical experience.

Revenue from packages are accounted for on a gross basis as the Group is determined to be the primary obligor in the arrangement, that is the risks and responsibilities are taken by the Group including the responsibility for delivery of services. Cost of delivering such services includes cost of hotels, airlines and package services and is disclosed as service cost.

Other Services

Revenue from other sources, primarily comprising advertising revenue, revenue from sale of rail and bus tickets and fees for facilitating website access to travel insurance companies are being recognized as the services are being performed. Revenue from the sale of rail and bus tickets is recognized as an agent on a net commission earned basis.

Revenue is recognized net of allowances for cancellations, refunds during the period and taxes.

Revenue is allocated between the loyalty program and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when the Group fulfills its obligations to supply the products/services under the terms of the program.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

The Group receives upfront fee from Global Distribution System ("GDS") providers for facilitating the booking of airline tickets on its website or other distribution channels to travel agents for using their system, as the group recognizes revenue for actual airline tickets sold over the total number of airline tickets to be sold over the term of the agreement, in both cases using such GDS platforms, and the balance amount is recognized as deferred revenue under contract liabilities. The Group incurs certain marketing and sales promotion expenses which get reduced from revenue. This includes the cost for upfront cash incentives and select loyalty programs as incurred for customer inducement and acquisition for promoting transactions across various booking platforms.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

The Group has assessed and determined to present grants as other income in the statement of profit or loss and other comprehensive loss.

Marketing and sales promotion expenses

Marketing and sales promotion expenses primarily comprise of online, television, radio and print media advertisement costs as well as event driven promotion cost for the Group's products and services. Such costs are the amounts paid to or accrued towards advertising agencies or direct service providers for advertising on websites, television, print formats, search engine marketing and any other media. Advertising and business promotion costs are recognized when incurred.

Additionally, the Group also incurs customer inducement and acquisition costs for acquiring customers and promoting transactions across various booking platforms such as upfront cash incentives,

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

which when incurred are recorded as a reduction from revenue with effect from April 1, 2018 after the adoption of IFRS-15.

Finance income and costs

Finance income comprises interest income on term deposits. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive loss, using the effective interest rate method (EIR).

Finance cost comprises interest expense on borrowings, interest expense on lease liability and unwinding of the discount on provisions. Interest expense is recognized in the statement of profit or loss and other comprehensive loss using EIR.

Taxes

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generate taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss and other comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****2. Significant accounting policies (Continued)**

Deferred tax relating to items recognized outside consolidated statement of profit or loss are recognized outside profit or loss. Deferred tax items are recognized, in correlation to the underlying transaction either in other comprehensive income/loss or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority.

Minimum Alternative Tax

Minimum Alternative Tax ('MAT') expense under the provisions of the Indian Income-tax Act, 1961 is recognized as an asset in the statement of financial position when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed on every period end and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT credit entitlement is included as part of deferred tax asset.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive loss when the asset is derecognized.

Depreciation is calculated on straight line basis using the rates arrived at based on the estimated useful lives of the assets as follows:

Computer and peripherals	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	Term of loan/lease or useful life (5 - 7 years as applicable) whichever is shorter.

Leasehold improvements are amortized over the lower of primary lease period or economic useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Technology related development costs incurred by the Group are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenses incurred during the application development stage. The costs related to planning and post implementation phases of development are expensed as incurred.

Internally generated intangibles, excluding capitalized development costs, are not capitalized. Instead, the related expenditure is recognized in the statement of profit or loss and other comprehensive loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit in the statement of profit or loss and other comprehensive loss.

Goodwill is initially recognized at cost and is subsequently measured at cost less any accumulated impairment losses.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of profit or loss and other comprehensive loss on disposal.

Intangible assets with finite life are amortized over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit or loss and other comprehensive loss.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****2. Significant accounting policies (Continued)**

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Intangible assets are amortized as below:

Agent / Supplier relationships	2.5 - 10 years
Non-compete agreements	3.5 - 6.5 years
Trademarks	10 - 20 years
Intellectual property rights	3 years
Computer software and websites	3 to 10 years or license period, whichever is shorter
Customer relationships	4 to 15 years

Leases policy prior to April 1, 2019**Group as a lessee**

The Group's lease asset classes primarily consist of leases for buildings, motor vehicles and other equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (twelve months or less). The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate in the country of domicile of these leases at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or change in the lease payments.

The Group's lease liabilities are included in Borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The adoption of IFRS 16 has resulted in additional disclosures. Refer to Note 44.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (OCI), and fair value through profit or loss.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired

The Group's financial assets at amortized cost includes trade receivables, term deposits, security deposits and employee loans. For more information on receivables, refer to Note 26.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under "IAS 32 Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. The Group recognized an allowance for expected credit losses (ECLs) for all instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

The Group's financial liabilities include trade and other payables, interest-bearing borrowings including bank overdrafts and share warrants.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include share warrants for which gain or loss is routed through profit or loss. For more details on share warrants, refer to Note 32.

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive loss. This category applies to interest-bearing borrowings, trade and other payables.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks, payment gateways and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on FIFO (First in First out) basis and net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Inventories include tickets for amusement parks and attractions.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested at least annually or when there are indicators that an asset may be impaired, for impairment. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each CGU or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, less the costs of disposal. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive loss as a component of depreciation and amortization expense.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

Provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of a past event, that is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive loss.

Contingent liabilities are recognized at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

Employment benefit plan

The Group's post-employment benefits include defined benefits plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

Under the defined benefit retirement plan, the Group provides obligation in the form of Gratuity under the Payment of Gratuity Act 1972 (India). Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee's salary and years of service with the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognized as an asset or liability in the statement of financial position. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of statement of financial position. Plan assets are assets that are qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the statement of profit or loss and other comprehensive loss as incurred. Remeasurement, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI (Other comprehensive income) in the period in which they occurred. The remeasurements are not re-classified to profit or loss in subsequent years. The Group's contribution to defined contribution plans are recognized in statement of profit or loss and other comprehensive loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

The employees of the Group are entitled to compensated absences. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. Any actuarial gains or losses are recognized in the statement of profit or loss and other comprehensive loss in the period in which they arise.

Share-based payments / Restricted stock units (RSUs)

Employees (including senior executives) of the Group receive part of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined at the fair value at the date when the grant is made using Black-Scholes valuation model, further details of which are given in Note 30.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

2. Significant accounting policies (Continued)

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss and other comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

Earnings (loss) per share

The Group's Earnings (Loss) per Share ('EPS') is determined based on the net profit/(loss) attributable to the shareholders' of the parent company. Basic EPS is computed using the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including convertible preference shares, share options and warrants (using the treasury stock method for options and warrants), except where the result would be anti-dilutive.

If the number of ordinary or potential ordinary shares outstanding increase as a result of a capitalization, bonus issue or share split, or decrease as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted respectively, further details of which are given in Note 18.

3. Standards and interpretations issued but not effective

The new standards, interpretations and amendments to Standards that are issued to the extent relevant to the Group, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these Standards, if applicable, when they become effective.

Definition of a Business—Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

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3. Standards and interpretations issued but not effective (Continued)

process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies in a timely manner. The amendments could also be relevant in other areas of IFRS (e.g., they may be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendment will apply to the Company effective April 1, 2020 and has to be applied prospectively. Hence there is no impact on the consolidated financial statement.

Definition of Material—Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

The amendments are effective for annual periods beginning on or after 1 January 2020, though early application is permitted.

The Group does not expect the amendment to have any material impact on our evaluation of materiality in relation to our financial statements.

Classification of Liabilities as Current or Non-current- Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

3. Standards and interpretations issued but not effective (Continued)

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual periods beginning on or after 1 January 2022. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Covid-19-Related Rent Concessions—Amendment to IFRS 16

Effective for annual periods beginning on or after 1 June 2020.

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30, 2021 and increased lease payments that extend beyond June 30, 2021).
- There is no substantive change to other terms and conditions of the lease.

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

A lessee will apply the amendment for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at May 28, 2020.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

4. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

4.1 Significant judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of functional currency

Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. IAS 21, *The Effects of Changes in Foreign Exchange Rates* prescribes the factors to be considered for the purpose of determination of functional currency. However, in respect of parent company and certain intermediary foreign operations of the Group, the determination of functional currency might not be very obvious due to mixed indicators like the source of financing, the functional currency of the shareholders, the currency in which the borrowings have been raised and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Determining the lease term of contracts with renewal and termination options—Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

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4. Significant accounting judgments, estimates and assumptions (Continued)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to Note 44 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Property lease classification—Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

4.2 Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a) Impairment reviews

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

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4. Significant accounting judgments, estimates and assumptions (Continued)

derived from the budget for the next five and Seven years, however as at March 31, 2020 management has used a longer period due to impact of COVID-19 and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

The key assumptions used to determine the recoverable amount for the CGUs, including sensitivity analysis, are disclosed and further explained in Note 20.

The Group tests goodwill for impairment annually on March 31 and whenever there are indicators of impairment.

b) Measurement of Expected Credit Loss (ECL) for uncollectible trade receivables and advances

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. Also refer to Note 26 and 27.

c) Loyalty programs

Customers are entitled to loyalty points on certain transactions that can be redeemed for future qualifying transactions. The Group estimates revenue allocation between the loyalty program and the other components of the sale with assumptions about the expected redemption rates. The amount allocated to the loyalty program is deferred, and is recognized as revenue when the Group fulfills its obligations to supply the services under the terms of the program or when it is no longer probable that the points under the program will be redeemed. Also refer to Note 35.

d) Taxes

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. The Group has not recognized deferred tax asset on unused tax losses and temporary differences in most of the subsidiaries of the Group. Also refer to Note 25.

e) Defined benefit plans

The costs of post retirement benefit obligation under the Gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

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4. Significant accounting judgments, estimates and assumptions (Continued)

assumptions. All assumptions are reviewed at each reporting date. Also refer to Note 34 for assumptions and sensitivities.

f) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

5. Segment information

For management purposes, the Group is organized into lines of business (LOBs) based on its products and services and has reportable segments as mentioned below. The LOBs offer different products and services, and are managed separately because the nature of products and methods used to distribute the services are different. For each of these LOBs, Chief Executive Officer (CEO) reviews internal management reports. Accordingly, the Chief Executive Officer (CEO) is construed to be the Chief Operating Decision Maker (CODM). Segment revenue less service cost from each LOB's are reported and reviewed by the CODM on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

1. **Air Ticketing:** Through internet, mobile based platform and call-centers, the Group provides the facility to book and service international and domestic air tickets to ultimate customers through B2C (Business to Consumer), Business to Enterprise (B2E) and B2B2C (Business to Business to Consumer) channels. All these channels share similar characteristics as they are engaged in facilitation of booking of air tickets. Management believes that it is appropriate to aggregate these channels as one reporting segment due to the similarities in the nature of business.
2. **Hotels and Packages:** Through an internet and mobile based platform and call-centers, the group provides holiday packages and hotel reservations. For internal reporting purpose, the revenue related to Airline Ticketing issued as a component of group developed holiday package is assigned to Hotel and Package segment and is recorded on a gross basis. The hotel reservations form integral part of the holiday packages and, accordingly, management believes that it is appropriate to aggregate these services as one reportable segment due to similarities in the nature of services.

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Notes to the consolidated financial statements (Continued)

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5. Segment information (Continued)

3. Other operations primarily include the advertisement income from hosting advertisements on our internet web-sites, income from sale of coupons and vouchers, income from sale of rail and bus tickets and income from facilitating website access to travel insurance companies. The operations do not meet any of the quantitative thresholds to be a reportable segment for any of the periods presented in these consolidated financial statements.

Information about Reportable Segments:

	Air Ticketing			Hotels and Packages			Others			Total		
	March 31			March 31			March 31			March 31		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Segment revenue	5,012,931	5,708,152	3,957,989	6,628,236	6,162,926	3,707,534	607,346	1,058,953	1,080,202	12,248,513	12,930,031	8,745,725
Service cost	—	—	—	(4,930,757)	(4,282,803)	(2,922,929)	—	—	—	(4,930,757)	(4,282,803)	(2,922,929)
Segment results	5,012,931	5,708,152	3,957,989	1,697,479	1,880,123	784,605	607,346	1,058,953	1,080,202	7,317,756	8,647,228	5,822,796
Other income										90,001	263,785	159,631
Unallocated expenses										(10,342,290)	(10,907,467)	(5,719,112)
Operating loss (before depreciation and amortization)										(2,934,533)	(1,996,454)	263,315
Finance cost										(153,056)	(263,290)	(193,287)
Depreciation and amortization										(425,600)	(581,746)	(666,369)
Impairment of goodwill										—	—	(221,999)
Finance income										91,912	41,310	58,641
Share of loss of joint venture										(10,559)	(12,772)	(10,784)
Change in fair value of warrants-gain/(loss)										(563,253)	1,667,193	94
Loss before taxes										(3,995,089)	(1,145,758)	(770,390)
Tax expense										(56,887)	(47,837)	(69,805)
Loss for the period										(4,051,976)	(1,193,596)	(840,195)

Assets and liabilities are not identified to any reportable segments, since the Group uses them interchangeably across segments and, consequently, the Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities.

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Notes to the consolidated financial statements (Continued)

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5. Segment information (Continued)

Reconciliation of information on Reportable Segments to IFRS measures:

	Air Ticketing			Hotels and Packages			Others			Total		
	March 31			March 31			March 31			March 31		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Segment revenue	5,012,931	5,708,152	3,957,989	6,628,236	6,162,926	3,707,534	607,346	1,058,953	1,080,202	12,248,513	12,930,031	8,745,725
Less: customer inducement and acquisition costs**	—	(2,258,887)	(1,348,471)	—	(1,248,506)	(105,736)	—	(64,058)	(32,163)	—	(3,571,451)	(1,486,370)
Revenue	5,012,931	3,449,265	2,609,518	6,628,236	4,914,420	3,601,798	607,346	994,895	1,048,039	12,248,513	9,358,580	7,259,355
Unallocated expenses										(10,342,290)	(10,907,467)	(5,719,112)
Less: customer inducement and acquisition costs**										—	3,571,451	1,486,370
Unallocated expenses										(10,342,290)	(7,336,016)	(4,232,742)

Notes:

** For purposes of reporting to the CODM, certain promotion expenses including upfront cash incentives, loyalty programs costs for customer inducement and acquisition costs for promoting transactions across various booking platforms, which are reported as a reduction of revenue, are added back to the respective segment revenue lines and marketing and sales promotion expenses. For reporting in accordance with IFRS, such expenses are recorded as a reduction from the respective revenue lines. Therefore, the reclassification excludes these expenses from the respective segment revenue lines and adds them to the marketing and sales promotion expenses (included under Unallocated expenses).

Assets and liabilities are not identified to any reportable segments, since the Group uses them interchangeably across segments and, consequently, the Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities.

Geographical Information:

Given that Company's products and services are available on a technology platform to customers globally, consequently, the necessary information to track accurate geographical location of customers is not available.

Non-current assets are disclosed based on respective physical location of the assets

	Non-current Assets*	
	March 31, 2019	March 31, 2020
India	2,385,110	2,302,389
Others	6,805	1,288
Total	2,391,915	2,303,677

* Non-current assets presented above represent property, plant and equipment, right-of-use assets and intangible assets and goodwill.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

5. Segment information (Continued)

Major Customers:

Considering the nature of business, customers normally include individuals and business enterprises. Further, none of the corporate and other customers account for more than 10% or more of the Group's revenues.

6. Group information

The consolidated financial statements of the Group include:

Information about Group subsidiaries:

Name	Principal activities	Country of incorporation	% Equity interest	
			March 31, 2019	March 31, 2020
THCL Travel Holding Cyprus Limited	Investment Company	Cyprus	100	100
Yatra USA Corp	Investment Company	USA	100***	100***
Yatra USA, LLC	Travel & Travel related services	USA	100	100
Asia Consolidated DMC Pte. Ltd.	Travel & Travel related services	Singapore	100	100
Middle East Travel Management Company Private Limited	Travel & Travel related services	India	100	100
Yatra Online Private Limited	Travel & Travel related services	India	98.53*	98.56**
Yatra Corporate Hotel Solutions P. Ltd.	Travel & Travel related services	India	98.53*	98.56**
TSI Yatra Private Limited	Travel & Travel related services	India	98.53*	98.56**
Yatra TG Stays Private Limited	Travel & Travel related services	India	98.53*	98.56**
Yatra Hotel Solutions Private Limited	Travel & Travel related services	India	98.53*	98.56**
Air Travel Bureau Private Limited	Travel & Travel related services	India	98.53 ^{*/****}	98.56**/****
Travel.Co.In Limited (TCIL)	Travel & Travel related services	India	98.53 ^{*/****}	98.56**/****

* Remaining shares of 1.47% are held by the minority shareholder as at March 31, 2019. Includes the impact of the shares which are pending allotment as on March 31, 2019 to THCL Travel Holding Cyprus Limited in Yatra Online Private Limited.

** Remaining shares of 1.44% are held by the minority shareholder as at March 31, 2020.

*** Includes 21.08% (March 31, 2019: 31.74%) Class F Shares owned by Terrapin 3's founder stockholders having no voting right. Terrapin 3's founder stockholders also own Class F Shares in the Company having no economic value and have an exchange right to acquire Ordinary Shares of the Company. During the year MIHI LLC (Macquarie Group Ltd.), Class F shareholder of Yatra USA Corp has exchanged 1,083,281 Class F Shares with the Ordinary Shares of Yatra Online, Inc.. Also, 1,060,781 Class F shares held by MIHI LLC (Macquarie Group Ltd.) in Yatra Online, Inc. have been converted into Ordinary Shares thereof at 0.00001 conversion ratio. Refer to Note 29.

**** During the financial year ending March 31, 2018, the company had acquired 51% shareholding in ATB on August 4, 2017, with the obligation to acquire the remaining 49% shareholding pursuant to the terms of Share Purchase Agreement (SPA). Refer to Note 43 and 45.

***** During the financial year ending March 31, 2019, the company had acquired 100% shareholding in Travel.Co.In Limited on February 8, 2019. Refer to Note 43.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

6. Group information (Continued)

Joint Venture

The group has a 50% interest in Adventure and Nature Network Pvt. Ltd. (March 31, 2019: 50%). For more detail, refer to Note 14.

7. Fair value measurement

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

Fair values

The management assessed that the fair values of trade receivables, cash and cash equivalent, term deposits, trade payables, borrowings and other liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

	Carrying value		Fair value	
	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Financial assets				
Assets carried at amortized cost				
Trade and other receivables	4,921,270	2,368,395	4,921,270	2,368,395
Cash and cash equivalents	2,161,014	1,365,370	2,161,014	1,365,370
Term deposits	1,029,533	755,324	1,029,533	755,324
Other financial assets	265,915	307,700	265,915	307,700
Total	8,377,732	4,796,789	8,377,732	4,796,789
Financial liabilities				
Liabilities carried at fair value				
Share warrants	383,793	418,266	383,793	418,266
Liability for acquisition of business	1,190,009	800,000	1,190,009	800,000
Total	1,573,802	1,218,266	1,573,802	1,218,266
Liabilities carried at amortized cost				
Trade and other payables	5,268,046	2,887,144	5,268,046	2,887,144
Borrowings	1,179,560	986,529	1,179,560	986,529
Other liabilities	542,054	310,051	542,054	310,051
Total	6,989,660	4,183,724	6,989,660	4,183,724

Fair value hierarchy

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

7. Fair value measurement (Continued)

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets for which fair value is disclosed				
Term deposits	—	1,029,533	—	1,029,533
Other financial assets	—	265,915	—	265,915
Total assets	—	1,295,448	—	1,295,448
Liabilities carried at fair value				
Warrants	383,699	—	94	383,793
Liability for business acquisition	—	—	1,190,009	1,190,009
Liabilities carried at amortized cost				
Borrowings	—	1,179,560	—	1,179,560
Total Liabilities	383,699	1,179,560	1,190,103	2,753,363

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets for which fair value is disclosed				
Term deposits	—	755,324	—	755,324
Other financial assets	—	307,700	—	307,700
Total assets	—	1,063,024	—	1,063,024
Liabilities carried at fair value				
Warrants	418,264	—	2	418,266
Liability for business acquisition	—	—	800,000	800,000
Liabilities carried at amortized cost				
Borrowings	—	986,529	—	986,529
Total Liabilities	418,264	986,529	800,002	2,204,795

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

7. Fair value measurement (Continued)

Valuation Techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values at March 31, 2019 and March 31, 2020 as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
A. Financial Instruments measured at fair value:			
Warrants	Black-Scholes model: The valuation model considers the share price on measurement date, expected term of the instrument, risk free rate (based on government bonds), expected volatility and expected dividend rate.	Expected term: 1.66 years (PY: 2.16 years) Risk free rate: 0.22% (PY 2.24%)	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> the expected term were higher (lower) the risk free rate were higher (lower)
Quoted Warrants	Fair market value	—	—
Liability for business acquisition (refer to Note 43)	Actual as per the terms of share purchase agreement	Adjusted earning of acquired entity	—
B. Financial Instruments for which fair value is disclosed:			
Borrowings	Discounted cash flows	Prevailing interest rate in market, future payouts.	—
Term deposits	Discounted cash flows	Prevailing interest rate to discount future cash flows	—
Other financial assets	Discounted cash flows	Prevailing interest rate to discount future cash flows	—

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

7. Fair value measurement (Continued)

Below is reconciliation of fair value measurements categorized within level 1 & level 3 of the fair value hierarchy

	April 1, 2018	Advance Paid towards Final Payment	Charge to profit or loss	Effects of movements in foreign exchange rates	March 31, 2019	Charge to profit or loss	Effects of movements in foreign exchange rates	March 31, 2020
Macquarie Corporate Holdings Pty Limited— Ordinary Warrants	84	—	5	5	94	(92)		2
Quoted Warrants	1,914,520	—	(1,667,198)	136,377	383,699	—	34,565	418,264
Liability for business acquisition (refer to Note 43)	904,727	(200,000)	485,282	—	1,190,009	(390,009)		800,000
Total	2,819,331	(200,000)	(1,181,911)	136,382	1,573,802	(390,101)	34,565	1,218,266

8. Rendering of services

8.1 Disaggregation of revenue

In the following tables, revenue is disaggregated by product type

Revenue by Product types

	March 31,		
	2018	2019	2020
Air Ticketing	5,012,931	3,449,265	2,609,518
Hotels and Packages	6,628,236	4,914,420	3,601,798
Other Services	105,249	56,419	53,958
Total	11,746,416	8,420,104	6,265,274

8.1 Contract balances

Contract assets

Contract assets primarily relate to the Group's rights to consideration from travel suppliers in exchange for services that the Company has transferred to the traveler when that right is conditional on the Company's future performance. The contract assets are transferred to receivables when the rights to consideration become unconditional. This usually occurs when the Group issues an invoice to the travel suppliers.

	March 31,	
	2019	2020
Contract Assets	22,584	—

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

8. Rendering of services (Continued)

Changes in contract assets are as follows:

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Balance at the beginning of the year	17,279	22,584
Revenue recognised during the year	22,584	—
Adjustment during the year	—	(14,400)
Billed during the year	(17,279)	(8,183)
Balance at the end of the year	<u>22,584</u>	<u>—</u>

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liabilities primarily relate to the consideration received from customers for travel bookings in advance of the Group's performance obligations which was earlier classified as "advance from customers", and consideration allocated to customer loyalty programs and advance received from Global Distribution System ("GDS") provider for bookings of airline tickets in future which is deferred, and which was earlier classified as deferred revenue

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Advance from customer (refer to Note 38)	702,444	774,673
Deferred revenue (refer to Note 35)	675,711	357,916
Total Contract liabilities	<u>1,378,155</u>	<u>1,132,589</u>

As at March 31, 2019, INR 702,444 of advance consideration received from customers for travel bookings was reported within contract liabilities, INR 629,398 of which was applied to revenue and INR 6,882 was refunded to customers during the year ended March 31, 2020. As at March 31, 2020, the related balance was INR 774,673.

No information is provided about remaining performance obligations at March 31, 2020 that have an original expected duration of one year or less, as allowed by IFRS 15.

9. Other revenue

	<u>March 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Marketing revenue	502,097	938,476	994,081
Total	<u>502,097</u>	<u>938,476</u>	<u>994,081</u>

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****9. Other revenue (Continued)**

Primarily comprising advertising revenue, voucher sales and fees for facilitating website access to travel insurance providers.

10. Other income

	<u>March 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Excess provision written back	15,441	22,063	38,973
Government grant	69,573	233,180	86,810
Gain on termination of leases	—	—	27,241
Gain on sale of property, plant and equipment (net)	1,369	5,050	4,842
Miscellaneous income	3,618	3,492	1,765
Total	<u>90,001</u>	<u>263,785</u>	<u>159,631</u>

Government grant includes the Company's entitlement to receive duty credit scrips as grant under Service Exports from India Scheme (SEIS) from the Government of India on achievement of certain conditions as notified under the scheme. Such scrips can be utilized against the payment of custom duty at the time of import of goods or services to India. Refer to note 27 for more details.

Government grant includes the Company's entitlement to receive grant under "Singapore's Resilience Budget" from the Singapore Government on achievement of certain conditions as notified under the scheme. Refer to note 27 for more details.

Excess provision written back represent trade payables, that through the expiry of time, the Group has no further legal obligation to vendors.

11. Personnel expenses

	<u>March 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Salaries, wages and other short term employee benefits	1,981,076	2,076,918	1,608,958
Contributions to defined contribution plans	104,958	105,863	86,678
Expenses related to defined benefit plans (refer to Note 34)	26,589	24,575	25,642
Share based compensation costs	729,920	282,883	5,135
Employee welfare expenses	60,297	59,975	50,860
Total	<u>2,902,840</u>	<u>2,550,214</u>	<u>1,777,273</u>

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

12. Other operating expenses

	March 31,		
	2018	2019	2020
Commission	894,504	936,557	626,468
Communication	283,091	331,520	169,242
Legal and professional fees	308,625	336,183	471,761
Outsourcing fees	40,242	126,753	190,892
Payment gateway and other charges	743,018	985,488	748,714
Advances provision/written-off (refer to Note 21)	9,165	10,299	12,364
Trade and other receivables provision/written-off (refer to Note 26)	125,193	304,663	93,000
Duties and taxes	95,413	(29,595)	36,486
Rent	178,650	193,348	55,007
Repairs and maintenance	91,154	91,282	78,797
Travelling and conveyance	138,242	119,108	69,930
Insurance	39,117	42,791	50,891
Remeasurement of contingent consideration (refer to Note 43)	294,344	485,282	(390,009)
Corporate social responsibility (CSR) expense	10,245	1,564	8,202
Miscellaneous expenses	34,527	40,562	37,516
Total	<u>3,285,530</u>	<u>3,975,805</u>	<u>2,259,261</u>

13. Depreciation and amortization

	March 31,		
	2018	2019	2020
Depreciation	104,550	123,781	85,509
Amortization	321,050	457,965	502,992
Depreciation on right of use assets	—	—	77,868
Total	<u>425,600</u>	<u>581,746</u>	<u>666,369</u>

14. Investment in joint venture

The Group entered into an agreement with Snow Leopard Pvt. Ltd (SLA) on September 28, 2012 to set up a joint venture company Adventure and Nature Network Private Limited (ANN) to do business in adventure travel, having its principal place of business in India.

Group contributed during the financial year ended March 31, 2020: 3,500 (March 31, 2019: Nil and March 31, 2018: Nil) to maintain its 50% stake in the joint venture company. Both Group and SLA have equal right in management of ANN requiring unanimous decision in board meetings and shareholder's meetings.

Investment in joint venture is accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures in the consolidated financial statements. Summarized

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

14. Investment in joint venture (Continued)

financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarized statement of financial position of ANN:

	March 31,	
	2019	2020
Current assets, including cash and cash equivalents INR 270 (March 31, 2019: INR 5,779)	8,573	2,615
Non-current assets	168	72
Current liabilities	(69,327)	(77,863)
Non-current liabilities	(156)	(134)
Equity	(60,742)	(75,310)
Group's carrying amount of the investment	(30,371)	(37,655)
Transferred to other liabilities (refer to Note 38)	30,371	37,655
Net carrying amount of investment	—	—

Summarized statement of profit or loss of ANN:

	March 31,		
	2018	2019	2020
Revenue	12,181	14,110	8,688
Administrative expenses, including depreciation INR 96 (March 31, 2019: INR 146 and March 31, 2018: INR 173)	(33,215)	(37,817)	(25,322)
Finance cost	(84)	(1,836)	(4,934)
Loss before tax	(21,118)	(25,543)	(21,568)
Income tax expense	—	—	—
Loss for the year	(21,118)	(25,543)	(21,568)
Group's share of loss for the year	(10,559)	(12,772)	(10,784)

The joint venture had contingent liabilities as at March 31, 2020 : 4,459 (March 31, 2019 : 3,904). The joint venture had no capital commitments as at March 31, 2020 and as at March 31, 2019. ANN can't distribute its profits without the consent from the two venture partners.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

15. Finance Income

	March 31,		
	2018	2019	2020
Interest income on :			
—Bank deposits	74,197	30,801	22,594
—Others	8,870	1,824	26,502
Foreign exchange gain (net)	—	—	4,322
Unwinding of discount on other financial assets	8,845	8,685	5,223
Total	91,912	41,310	58,641

16. Finance cost

	March 31,		
	2018	2019	2020
Bank charges	22,334	29,891	27,154
Foreign exchange loss (net)	8,154	85,694	—
Interest on borrowings	122,568	145,976	106,328
Interest on lease liability	—	—	56,394
Unwinding of discount on other financial liability	—	1,729	3,411
Total	153,056	263,290	193,287

17. Income taxes

Loss for the year before income taxes is as follows:

	March 31,		
	2018	2019	2020
Domestic	(1,481,129)	1,448,942	(316,792)
Foreign operations	(2,513,960)	(2,594,700)	(453,598)
Total	(3,995,089)	(1,145,758)	(770,390)

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

17. Income taxes (Continued)

The major components of income tax expense for the years ended 31 March, 2018, 2019 and 2020 are:

	March 31,		
	2018	2019	2020
Current Period	74,583	75,347	46,924
Current income tax expenses	74,583	75,347	46,924
Origination and reversal of temporary differences	(17,696)	(10,865)	22,881
Current year losses for which deferred tax is recognised	—	(16,645)	—
Deferred tax (benefit)/expense	(17,696)	(27,510)	22,881
Total income tax expenses as reported in statement of profit or loss	56,887	47,837	69,805

Reconciliation of tax expense and accounting profit multiplied by tax rate of each jurisdiction in which the Group operates

	March 31,		
	2018	2019	2020
Loss for the year	(4,051,976)	(1,193,595)	(840,195)
Income tax expense/(reversal)	56,887	47,837	69,805
Loss before income taxes	(3,995,089)	(1,145,758)	(770,390)
Expected tax expense at statutory income tax rate	(769,353)	(631,000)	(37,172)
Non-deductible expenses	107,541	(32,884)	(118,005)
Utilization of previously unrecognised tax losses	(5,342)	(10,463)	—
Recognition of previously unrecognised tax losses	—	—	17,696
Current year losses for which no deferred tax asset was recognized	887,997	638,730	167,129
Change in unrecognised temporary differences	(177,244)	82,109	27,000
Effect of change in tax rate	12,462	1,949	10,339
Others	827	(604)	2,818
	56,887	47,837	69,805

The domicile of the Parent Company is Cayman Islands. The Group's two major tax jurisdictions are India and Singapore with tax rates ranging between 25.17% to 31.20% (March 31, 2019: 26% to 31.20% and March 31, 2018: 25.75% to 34.61%) in India and 17% (March 31, 2019: 17% and March 31, 2018: 17%) in Singapore, that have been applied to profit or loss of the respective jurisdiction for determination of expected tax expense.

18. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****18. Loss per share (Continued)**

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	March 31,		
	2018	2019	2020
Loss attributable to ordinary shareholders—Basic	(3,993,140)	(1,148,203)	(833,808)
Weighted average number of ordinary shares outstanding used in computing basic/diluted loss per share	34,301,152	43,543,991	46,477,249
Basic loss per share	(116.41)	(26.37)	(17.94)

The following reflects the income and share data used in the diluted loss per share computations:

	March 31,		
	2018	2019	2020
Loss attributable to ordinary shareholders—Basic	(3,993,140)	(1,148,203)	(833,808)
Add: Loss attributable to non-controlling interest	—	(45,392)	—
Loss attributable to ordinary shareholders—Dilutive	(3,993,140)	(1,193,595)	(833,808)
Weighted average number of ordinary shares outstanding used in computing diluted loss per share	34,301,152	44,286,393	46,477,249
Diluted loss per share	(116.41)	(26.95)	(17.94)

Refer to Note 29 for the detailed movement in share capital during the financial year.

Loss attributable to shareholders is allocated equally for each class of share.

At March 31, 2020, 5,258 ordinary shares (March 31, 2019: 137,785 and March 31, 2018: 993,737), issuable against employee share options and restricted share, 742,402 ordinary shares (March 31, 2019: Nil and March 31, 2018: 742,402) issuable against conversion right with subsidiary's equity shares and Nil ordinary shares (March 31, 2019: 34 and March 31, 2018: 791), issuable against equity instruments, were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive. The Company also excludes options with exercise prices that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

18. Loss per share (Continued)

For calculation of diluted EPS, since the exercise price of share warrants is greater than fair market value, these are assumed to be out of money and considered not to be exercisable as on balance sheet date. These potential ordinary shares are not considered for calculation of dilutive impact of earning per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements, other than the one disclosed in note 46.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

19. Property, plant and equipment

	Leasehold Improvements	Computer and Peripherals	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross block						
At March 31, 2018	65,101	368,243	17,212	137,941	42,422	630,919
Acquisitions through business combinations (refer to Note 43)	—	260	—	—	—	260
Additions	1,744	20,702	1,123	15,400	3,544	42,513
Disposals/adjustment	(9,985)	(3,148)	(2,070)	(15,202)	(1,654)	(32,059)
Effects of movements in foreign exchange rates	56	(26)	16	1,034	20	1,100
At March 31, 2019	56,916	386,031	16,281	139,173	44,332	642,733
Effect of adoption of new accounting standards (Refer to Note 2.2)	—	—	—	(38,256)	—	(38,256)
At April 1, 2019	56,916	386,031	16,281	100,917	44,332	604,477
Additions	—	5,143	211	9,781	2,338	17,473
Disposals/adjustment	(54,846)	(52,465)	(9,136)	(39,420)	(10,485)	(166,352)
Effects of movements in foreign exchange rates	80	22	19	0	26	147
At March 31, 2020	2,150	338,731	7,375	71,278	36,211	455,745
Depreciation						
At March 31, 2018	39,043	249,726	10,981	64,200	25,275	389,225
Charge for the year	19,407	66,373	2,078	28,849	7,074	123,781
Disposals/adjustment	(9,985)	(3,225)	(1,855)	(10,536)	(939)	(26,540)
Effects of movements in foreign exchange rates	66	57	9	690	11	833
At March 31, 2019	48,531	312,931	11,213	83,203	31,421	487,299
Effect of adoption of new accounting standards (Refer to Note 2.2)	—	—	—	(31,962)	—	(31,962)
At April 1, 2019	48,531	312,931	11,213	51,241	31,421	455,337
Charge for the year	6,279	52,332	1,823	19,426	5,649	85,509
Disposals/adjustment	(52,741)	(52,417)	(8,247)	(24,588)	(9,806)	(147,799)
Effects of movements in foreign exchange rates	80	17	16	—	22	135
At March 31, 2020	2,149	312,863	4,805	46,079	27,286	393,182
Net block						
At March 31, 2019	8,385	73,100	5,068	55,970	12,911	155,434
At March 31, 2020	1	25,868	2,570	25,199	8,925	62,563

The Group has taken bank guarantee facility against which property, plant and equipment of a subsidiary of the Group amounting to INR 52,865 (March 31, 2019: INR 65,290) are pledged.

The carrying value of vehicles held under vehicle loan have a gross book value of INR 55,176 (March 31, 2019: INR 88,735), depreciation charge for the year of INR 11,643 (March 31, 2019:

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

19. Property, plant and equipment (Continued)

INR 19,913), accumulated depreciation of INR 31,170 (March 31, 2019: INR 39,668), net book value of INR 24,006 (March 31, 2019: INR 49,067). Vehicles are pledged as security against the related vehicle loan.

In the statement of cash flows, proceeds from vehicle loan of INR 1,075 (March 31, 2019: INR 12,294 and March 31, 2018: INR 25,406) has been adjusted against purchase of property, plant and equipment

20. Intangible assets and goodwill

	Computer software and Websites	Intellectual property rights	Agent / Supplier/ relationship	Customer relationship	Non compete agreement	Trademarks	Goodwill	Intangible under development	Total
Gross block									
At March 31, 2018	1,617,972	56,298	222,169	134,682	20,061	271,329	961,186	112,128	3,395,825
Acquisitions through business combinations (refer to Note 43)	683	—	—	5,654	2,110	—	53,913	—	62,360
Additions	433,075	—	—	—	—	—	—	399,270	832,345
Disposals/adjustment	—	—	—	—	—	—	—	(425,542)	(425,542)
Effects of movements in foreign exchange rates	67	2,911	—	—	—	—	—	—	2,978
At March 31, 2019	2,051,797	59,209	222,169	140,336	22,171	271,329	1,015,099	85,856	3,867,966
Additions	225,118	—	—	—	—	—	—	194,616	419,734
Disposals/adjustment	—	—	—	—	—	—	—	(228,551)	(228,551)
At March 31, 2020	2,276,915	59,209	222,169	140,336	22,171	271,329	1,015,099	51,920	4,059,148
Amortization and Impairment									
At March 31, 2018	875,850	51,446	149,507	5,986	6,266	81,507	—	—	1,170,562
Charge for the year	411,648	1,400	17,097	9,214	4,669	13,937	—	—	457,965
Disposals	—	—	—	—	—	—	—	—	—
Effects of movements in foreign exchange rates	46	2,911	—	—	0	—	—	—	2,958
At March 31, 2019	1,287,544	55,757	166,604	15,200	10,935	95,444	—	—	1,631,485
Charge for the year	454,866	1,679	17,097	10,392	5,021	13,937	—	—	502,992
Disposals	—	—	—	—	—	—	—	—	—
Impairment	—	—	—	—	—	—	221,999	—	221,999
Effects of movements in foreign exchange rates	(20)	—	—	—	—	—	—	—	(20)
At March 31, 2020	1,742,389	57,436	183,701	25,592	15,956	109,382	221,999	—	2,356,455
Net block									
At March 31, 2019	764,253	3,452	55,565	125,136	11,236	175,885	1,015,099	85,856	2,236,481
At March 31, 2020	534,525	1,773	38,468	114,744	6,215	161,947	793,100	51,920	1,702,693

The Group has taken bank guarantee facility against which Computer software and Websites & intellectual property rights of a subsidiary of the Group amounting to INR 539,073 (March 31, 2019: INR 536,298) are pledged.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****20. Intangible assets and goodwill (Continued)****Impairment reviews**

Goodwill acquired through business combinations having indefinite lives are allocated to the CGUs. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. Carrying amount of goodwill has been allocated to the respective acquired subsidiaries level as follows:

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
TSI Yatra Private Limited	103,670	103,670
Yatra TG Stays Private Limited & Yatra Hotel Solutions Private Limited*	549,996	327,997
Air Travel Bureau Limited (refer to Note 43)	307,520	307,520
Travel.Co.In Limited (TCIL)(refer to Note 43)	53,913	53,913
Total	<u>1,015,099</u>	<u>793,100</u>

- * The recoverable amount of the CGU as at March 31, 2020, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a seven-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to cash flow projections is 20.14% (March 31, 2019: 18%) and cash flows beyond the five-year period are extrapolated using a 4.5% growth rate (March 31, 2019: 5.0%) that is the same as the long-term average growth rate for the hotel industry. Basis this, it was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognised an impairment charge of INR 221,999 in the current year against goodwill with a carrying amount of 549,996 as at March 31, 2019. The impairment charge is recorded in the statement of profit or loss.

The recoverable amount of all CGUs was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU. These calculations use cash flow projections over a period of five years, based on next year's financial budgets approved by management, with extrapolation for the remaining period, and an average of the range of assumptions as mentioned below.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

20. Intangible assets and goodwill (Continued)

The key assumptions used in value in use calculations:

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Discount rate	18%	20.14% - 20.29%
Terminal Value growth rate	5%	4.5%
EBITDA margin over next 5 and 7 years (March 31, 2019: 5 years)	8.7% - 46.7%	(66.3)% - 35.0%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of a comparable market participant, which is adjusted for specific risks. These estimates are likely to differ from future actual results of operations and cash flows.

Sensitivity change in assumptions

Based on the above, except as disclosed above, in case of "Yatra TG Stays Private Limited & Yatra Hotel Solutions Private Limited", no other impairment was identified as of March 31, 2020 and March 31, 2019 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

21. Prepayments and other assets

	<u>March 31,</u>	
<u>Current</u>	<u>2019</u>	<u>2020</u>
Advance to vendors (net of allowance)	746,513	706,317
Advance to joint venture (refer to note 42)	30,385	34,200
Balance with statutory authorities	47,865	43,626
Prepaid expenses	72,148	64,266
Due from employees	2,997	3,541
Total	<u>899,908</u>	<u>851,950</u>
<u>Non-current</u>		
Prepaid expenses	1,527	1,216
Defined benefit plan asset (refer to Note 34)	6,339	1,898
	<u>7,866</u>	<u>3,114</u>

Advances to vendor primarily consist of amounts paid to airline and hotels for future bookings.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

21. Prepayments and other assets (Continued)

The movement in the allowance for doubtful advances:

	March 31,	
	2019	2020
Balance at the beginning of the year	9,630	16,234
Provisions accrued during the year	10,299	12,364
Amount written off during the year	(3,695)	(4,064)
Balance at the end of the year	<u>16,234</u>	<u>24,534</u>

22. Other financial assets, Non-current

	March 31,	
	2019	2020
Security deposits	30,356	30,233
Interest accrued on term deposits	275	—
Total	<u>30,631</u>	<u>30,233</u>

Security deposit represents fair value of amount paid to landlord for the leased premises. As on March 31, 2020, remaining tenure for security deposits ranges from 3 to 8 years.

In the statement of cash flows, interest reinvested on term deposits amounted to INR Nil (March 31, 2019: INR 1,097) has been adjusted against interest received under investing activities.

23. Term deposits

	March 31,	
	2019	2020
Fixed deposits with banks	1,029,533	755,324
Total	<u>1,029,533</u>	<u>755,324</u>
Non-current	23,548	800
Current	1,005,985	754,524
Total	<u>1,029,533</u>	<u>755,324</u>

Term deposits as on March 31, 2020, include INR 633,323 (March 31, 2019: INR 1,010,328) pledged with banks against bank guarantees and credit card facility (Refer to Note 32). Tenure for term deposits range from 1 year to 2 years.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

24. Other non-financial assets, non-current

	March 31,	
	2019	2020
Fair value adjustment—financial assets	30,696	—
Restricted asset	224,218	223,618
Total	254,914	223,618
Non-current	254,914	223,618
Current	—	—
Total	254,914	223,618

Fair value adjustment—financial assets represents unamortised portion of the difference between the fair value of the financial assets (security deposit) on initial recognition and the amount paid.

Restricted asset include INR 189,267 (March 31, 2019: 189,267) in respect of mandatory pre-deposit required for service tax and income tax appeal proceedings in India, INR 8,468 (March 31, 2019: 8,468) in respect of refund claim application with the service tax authorities, INR 25,000 (March 31, 2019: INR 25,000) paid in relation to an investigation initiated by Directorate General of Central Excise Intelligence (DGCEI) for certain service tax matters in India and INR 883 (March 31, 2019: 1,483) in respect of amount paid under protest to Goods and Services Tax (GST) department. The service tax and GST amount has been paid under protest and the Group strongly believes that it is not probable the demand will materialize.

25. Deferred Tax

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following items:

	As at March 31,	
	2019	2020
Deductible temporary differences	243,932	273,825
Tax loss carry forward and unabsorbed depreciation	3,249,820	3,259,415
Total	3,493,752	3,533,240

In the Group, there are few subsidiaries for which no deferred tax assets have been recognised on deductible temporary differences of INR 888,226 (March, 2019: 743,384) and tax losses of INR 8,843,057 (March, 2019: 9,376,379) and unabsorbed depreciation of INR 1,858,662 (March 31, 2019: 1,262,313), as it is not probable that taxable profit will be available in near future against which these can be utilized. Tax losses are available as an offset against future taxable profit expiring at various dates through 2028 and unabsorbed depreciation is available indefinitely for offsetting against future taxable profits.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

25. Deferred Tax (Continued)

Recognised Deferred Tax Assets and Liabilities

	For the Year Ended March 31,	
	2019	2020
Deferred tax assets are attributable to the following—		
Property, plant and equipment and intangible assets	22,136	12,673
Trade and other receivables	55,649	54,379
Rent Equalisation reserve	680	—
Employee benefits	16,260	9,394
Minimum alternate tax recoverable	1,754	—
Unutilise business losses	16,645	—
Provision for expenses	7,349	15,570
Deferred tax asset	120,473	92,016
OCI gratuity	2,696	1,815
Total deferred tax asset (A)	123,169	93,831
Deferred tax liabilities are attributable to the following—		
Property, plant and equipment & intangible assets	(42,503)	(37,645)
Total deferred tax liability (B)	(42,503)	(37,645)
Net deferred tax asset (A-B)	80,666	56,186

Particulars	Balance as on March 31, 2019	Impact on adoption of IFRS 16	Recognised in profit or loss	Recognised in other comprehensive income	Unused/ utilized tax credit	Balance as on March 31, 2020
Property, plant and equipment intangible assets, and ROU assets	(20,367)	1,718	(6,324)	—	—	(24,973)
Trade and other receivables	55,649	—	(1,270)	—	—	54,379
Rent equalization reserve	680	(680)	—	—	—	—
Employee benefit	8,651	—	743	—	—	9,394
Minimum alternate tax recoverable	1,754	—	—	—	(1,754)	—
Unutilise business losses	16,645	—	(16,645)	—	—	—
Provision for expenses	14,958	—	613	—	—	15,571
OCI gratuity	2,696	—	—	(881)	—	1,815
Deferred tax assets	80,666	1,038	(22,883)	(881)	(1,754)	56,186

Pursuant to the section 115JB of Indian Income Tax Act, Group's subsidiaries in India have calculated their tax liability for current income taxes after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****25. Deferred Tax (Continued)**

forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, a deferred income tax asset of Nil (March 31, 2019: INR 1,101) has been recognized on the balance sheet as on March 31, 2020, which can be carried forward for a period of fifteen years from the year of recognition.

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) issued during the current financial year, the tax rates have changed with effect from 1 Apr 2019, and the Group has adopted the revised tax rates from April 1, 2019 for few of its subsidiaries (i.e. TSI Yatra Private Limited, Middle East Travel Management Company Private Limited, Air Travel Bureau Private Limited (formerly known as Air Travel Bureau Limited) and Yatra Hotel solutions private limited). Further, for other Indian entities, management is yet to decide whether to opt for the revised rates. If these changes were not considered by the group during the current financial year, deferred tax asset would have been increased by INR 10,616. The tax charge or (credit) for the year would have been increased by INR 6,278.

26. Trade and other receivables

	March 31,	
	2019	2020
Trade receivables (net of allowance)	4,830,072	2,256,524
Receivables from joint venture (refer to note 42)	—	7,993
Receivable from other related parties (refer to note 42)	4,280	3,808
Refund and other receivable (net of allowance)	64,334	100,070
Total	4,898,686	2,368,395
Contract Assets (refer to note 8)	22,584	—
	22,584	—
Total	4,921,270	2,368,395

A trade receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Revenue for time and material contracts are recognised as related service are performed.

The trade receivables primarily consist of amounts receivable from airline's, hotels, corporate's and retail customers pertaining to the transaction value.

The management does not consider there to be significant concentration of credit risk relating to trade, refund and other receivables. Refer to note 40.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

26. Trade and other receivables (Continued)

The movement in the allowance for expected credit loss and amounts impaired in respect of trade, refund & other receivables and contract assets during the year was as follows:

	March 31,	
	2019	2020
Balance at the beginning of the year	194,302	486,254
Provisions accrued during the year	304,663	93,000
Amount written off during the year	(12,964)	(28,919)
Effect of movement in exchange rate	253	4,391
Balance at the end of the year	486,254	554,726

27. Other financial assets, current

	March 31,	
	2019	2020
Interest accrued on term deposits	2,404	5,702
Interest accrued on advances to related parties (refer to note 42)	1,642	—
Security deposits	71,406	48,746
Others (includes Government Grant)	156,835	219,478
Total	232,287	273,926

In the statement of cash flows, interest reinvested in term deposits INR 16,720 (March 31, 2019: 22,242) has been adjusted against interest received under investing activities.

The movement in the Government Grant during the year was as follows:

	March 31,	
	2019	2020
At 1 April	32,120	156,835
Recorded in statement of profit or loss	233,180	86,810
Received during the year	(108,465)	(24,925)
Effect of movement in exchange rate	—	123
At 31 March	156,835	218,843

There are no unfulfilled conditions or contingencies attached to these grants.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****28. Cash and cash equivalents**

	March 31,	
	2019	2020
Cash on hand	2,859	1,742
Credit card collection in hand	390,335	23,864
Balances with bank	1,756,322	1,339,764
Cash in transit	11,498	—
Total	2,161,014	1,365,370

Credit card collection in hand represents the amount of collection from credit cards swiped by the customers which is outstanding as at the year end and credited to Group's bank accounts subsequent to the year end.

At March 31, 2020, the Group had available INR 248,956 (March 31, 2019: INR 3,108) of undrawn borrowing facilities.

29. Equity share capital and share premium*Authorized shares*

	March 31,	
	2019 Numbers of Shares	2020 Numbers of Shares
Ordinary shares of INR 0.006 (\$0.0001) each	500,000,000	500,000,000
Ordinary share Class A of INR 0.006 (\$0.0001) each	10,000,000	10,000,000
Ordinary share Class F of INR 0.006 (\$0.0001) each	3,159,375	3,159,375
Preference shares of INR 0.006 (\$.0001) each	10,000,000	10,000,000
	523,159,375	523,159,375

There is no change in the authorized share capital of the company during the financial ending March 31, 2020.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

29. Equity share capital and share premium (Continued)

A reconciliation of the shares outstanding at the beginning and end of the period is presented below:

	Numbers of Shares	Share Capital	Share Premium
Balance as at April 1, 2018	34,647,810	638	14,962,615
Exercise of option (Restricted stock units and share-based payments) (refer to Note 30)	635,455	4	357,981
Issue of ordinary shares in follow-on public offering, net of issuance costs*	10,350,000	71	3,563,509
Balance as at March 31, 2019	45,633,265	713	18,884,105
Balance as at April 1, 2019	45,633,265	713	18,884,105
Exercise of option (Restricted stock units and share-based payments) (refer to Note 30)	8,353	1	5,049
Conversion of Class F shares into Ordinary shares of the Company (refer to Note 6)	11	—	—
Balance as at March 31, 2020	45,641,629	714	18,889,154

* On June 26, 2018, the Company completed a follow-on public offering in which the Company offered and sold an aggregate of 10,350,000 ordinary shares, including 1,350,000 ordinary shares sold pursuant to the underwriters' full exercise of their option to purchase additional shares, at a public offering price of INR 375.71 (USD 5.50) per share. The aggregate price of the offering amount registered and sold was INR 3,888,547 (USD 56,925) of which we received net proceeds of INR 3,563,580 (USD 52,168). The Company incurred expenses of INR 324,967 (USD 4,757) including the underwriters' commission expense amounting INR 220,633 (USD 3,190), for the issuance of the shares which has been adjusted against the share premium. The amount in USD is converted at transaction date exchange rate of 68.31 INR per USD.

Terms/ rights attached to Ordinary Shares

The Company has three class of ordinary shares outstanding which entitles the holders with the following rights:

Ordinary shares

A holder of an ordinary share has one vote for each share of ordinary share held and entitled to receive dividends when declared by the board of directors.

Ordinary shares Class A

Class A shares have identical rights to the Company ordinary shares, except the right to receive notice of, attend or vote as a member at any general meeting of shareholders, but may vote at a

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

29. Equity share capital and share premium (Continued)

separate Class A shareholders' meeting convened in accordance with the Company Articles of Association.

Ordinary shares Class F

Class F shares shall have the right to receive notice of, attend at and vote as a member at any general meeting of shareholders, but shall have no other rights.

In the event of liquidation of the Company, the holders of Ordinary and Class A ordinary shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares reserved for issuance against equity instruments

The Company reserved 1,844 shares (March 31, 2019—1,844) for issuance at exercise price of INR 75.39 (\$ 1). These shares are considered as equity instrument and are recorded at fair value at the date of transaction under IAS 32.

Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer to Note 30.2.

Shares reserved for issue under warrant arrangement/agreement

Pursuant to listing of Parent Company, Capital18 Fin Cap Private Limited (Capital 18) and Pandara Trust Scheme I (Pandara Trust), shareholders of Yatra Online Private Limited, are entitled to swap their shares into 569,781 (March 31, 2019: 569,781) and 172,635 (March 31, 2019: 172,635) Ordinary Shares of the Parent Company respectively.

As on March 31, 2020, Capital18 and Pandara Trust have not exercised their right to swap to ordinary shares of the Parent Company.

For details of shares reserved for issuance under the warrant agreement with Innoven, a non-banking finance company and Macquarie Corporate Holding Pty Limited, refer to Note 32.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

29. Equity share capital and share premium (Continued)

Treasury shares

	Numbers of Shares	Amount
Balance as at April 1, 2018	27,900	30,084
Share based payment expense	—	(650)
Exercise of options	(26,901)	(18,215)
Balance as at March 31, 2019	999	11,219
Balance as at April 1, 2019	999	11,219
Exercise of options	—	—
Balance as at March 31, 2020	999	11,219

30. Other capital reserve

	Share-based payments	Equity Instruments	Warrant	Total
March 31, 2018	809,365	341	23,258	832,964
Share-based payments expense during the year	295,680	—	—	295,680
Exercised during the year	(376,339)	—	—	(376,339)
Forfeited during the year	(13,447)	—	—	(13,447)
Expired during the year	(2,870)	—	—	(2,870)
March 31, 2019	712,389	341	23,258	735,988
Share-based payments expense during the year	11,536	—	—	11,536
Exercised during the year	(5,050)	—	—	(5,050)
Forfeited during the year	(6,401)	—	—	(6,401)
Expired during the year	(46,778)	—	—	(46,778)
March 31, 2020	665,696	341	23,258	689,295

30.1 Equity instruments

The Parent Company reserved 1,844 shares for the issuance at exercise price of INR 75.39 (\$ 1). These shares are considered as equity instrument and are recorded at fair value at the date of transaction under IAS 32

30.2 Share based payments

2006 Share Plan and 2006 India Share Plan

The Company has reserved an aggregate of 1,316,765 ordinary shares as at March 31, 2020 (1,316,765 ordinary shares as at March 31, 2019) for issuance to officers, directors and employees of the Company pursuant to its 2006 Share Plan and 2006 India Share Plan, both of which have been

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****30. Other capital reserve (Continued)**

adopted by the board of directors (and the board of directors of Yatra India, in relation to the 2006 India Share Plan) and approved by the Company shareholders (and the shareholders of Yatra India, in relation to the 2006 India Share Plan) (collectively, the "Plan"). Out of such reserved shares, options to purchase 458,912 ordinary shares have been granted and are outstanding as at March 31, 2020 (March 31, 2019: 652,580 ordinary shares).

The share-based payment awards have the following vesting period under the same plan:-

- 1) 60 months, the first tranche vests after two years, while the remaining awards vest in equal installments on quarterly basis over the remainder of the vesting period.
- 2) 12 equal installments over 12 months.
- 3) 50% vest over 16 equal quarterly installments starting Dec 1, 2013; 25% vest if the "2015 Milestones" are met and then in eight quarters starting July 1, 2015; 25% vest if the "2016 Milestones" are met and then in four quarters starting July 1, 2016.

The Company estimates the expected term of stock grants equivalent to its vesting period. The Company has used the volatility of stocks of comparative companies with estimated life of options similar to its grants. The risk-free interest rate that is used in the option valuation model is based on U.S. treasury zero coupon bonds with a remaining term similar to the expected term of the options. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore has used an expected dividend yield of zero in the option valuation model. The Company is required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. All stock-based payment awards are amortized on a graded-vesting basis over the requisite service periods of the awards, which are generally the vesting periods.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31,			
	2019		2020	
	No. of shares	Weighted average EP per share	No. of shares	Weighted average EP per share
Number of options outstanding at the beginning of the year	657,130	287.05	652,580	304.92
Granted during the year	—	—	—	—
Forfeited during the year	1,785	348.84	193,668	380.26
Expired during the year	2,581	270.10	—	—
Exercised during the year	184	300.11	—	—
Number of options outstanding at the end of the year	652,580	304.92	458,912	328.12
Vested/exercisable	652,580	304.92	458,912	328.12

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 2.22 years (March 31, 2019: 3.63 years).

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****30. Other capital reserve (Continued)**

The range of exercise prices for options outstanding at the end of the year was INR 294.43 to INR 408.93 (March 31, 2019: INR 270.10 to INR 375.14).

During the year ended March 31, 2020, share based payment expense for these options was recognized under personnel expenses (refer to Note 11) amounted to INR Nil (March 31, 2019: INR 24 and March 31, 2018: INR 432).

Company did not grant any options during the fiscal year ended March 31, 2020 and March 31, 2019.

Restricted Stock Unit Plan

On December 16, 2016, the Company approved a share incentive plan in connection with the business combination transaction (Refer to Note 43). The Company granted 2,000,000 restricted share units (RSU's), under the plan to eligible employees. Each RSU represents the right to receive one ordinary share. Out of 2,000,000 RSU's, 74,458 shares have already been issued as part of treasury shares (Refer to Note 29).

The terms and conditions for 2,000,000 RSU's:

- 1) RSUs have daily graded vesting over a two year period.
- 2) RSUs have a two year repurchase right in favor of the Company such that the Company will be able to acquire any unvested shares for a nominal amount, in case of termination of the services of the employee prior to vesting
- 3) RSU's grantee shall have the option of settling the tax obligation by selling the equivalent shares to the Company or by net settlement method as per IFRS 2 "Share-based payment"

During the financial year ending March 31, 2018, the Company had modified the vesting condition and 1,925,542 RSUs would vest in installments with one-fourth of the shares of RSUs vested on June 30, 2017 and three-quarters of RSUs vesting in six equal quarterly anniversaries following June 30, 2017 with the last quarter vesting on December 15, 2018.

	March 31,	
	2019	2020
	No. of shares	No. of shares
Number of RSU's outstanding at the beginning of the year	719,575	—
Granted during the year	—	—
Forfeited during the year	372	—
Expired during the year	738	—
Vested during the year	718,465	—
Vested/exercisable and not exercised	643,147	643,147

The weighted average remaining contractual life for RSU's outstanding as at March 31, 2020 was Nil years (March 31, 2019: Nil).

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

30. Other capital reserve (Continued)

The range of exercise prices for RSU's outstanding at the end of the year is Nil (March 31, 2019: Nil).

During the year ended March 31, 2020, share based compensation cost for these RSU's is recognized under personnel expenses amounting to INR Nil (March 31, 2019: 103,110 and March 31, 2018: 633,172). Refer to Note 11.

2016 Stock Option and Incentive Plan (the "2016 Plan")

On December 13, 2016, the Company's board of directors approved the 2016 Plan and on December 15, 2016, the Company shareholders approved the 2016 Plan. The 2016 Plan enables the Company to make equity based awards to its officers, employees, non-employee directors and consultants. The 2016 Plan provides for the grant of incentive share options, non-qualified share options, share appreciation rights, restricted share awards, restricted share units, unrestricted share awards, cash-based awards, performance share awards and dividend equivalent rights. The Company has reserved for issuance 8,943,801 authorized but unissued ordinary shares under the 2016 Plan as on March 31, 2020, which shares are subject to an annual increase on January 1 of each year equal to three percent of the number of shares issued and outstanding on the immediately preceding December 31 or such lesser number of shares as determined by the administrator of the 2016 Plan. The 2016 Plan limits the number or value of shares that may be granted to any participant in any one calendar year, among other limits.

During the year ended March 31, 2020, the Company pursuant to the "2016 Plan", options to purchase Nil (March 31, 2019: 29,269) ordinary shares have been granted and 242,747 (March 31, 2019: 312,629) are outstanding as at March 31, 2020.

The share-based payment awards have the following vesting period under the same plan:-

1. 197,749 share options will vest over a period of four years in equal quarterly installments, with first such vesting on February 1, 2018 equivalent to 1/16th of the total number of stock options and with the last such vesting on November 1, 2021
2. 140,000 share options will vest over a period of two years in equal monthly installments commencing from first vesting on March 1, 2018 equivalent to 1/24th of the total number of stock options, with the last such vesting on February 1, 2020
3. 21,769 share options will vest over a period of one year and four months in equal monthly installments commencing from first vesting on September 1, 2018 equivalent to 1/16th of the total number of stock options, with the last such vesting on June 1, 2022
4. 7,500 share options will vest over a period of one year in equal monthly installments commencing from first vesting on January 31, 2019 equivalent to 1/12th of the total number of stock options, with the last such vesting on December 31, 2019

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

30. Other capital reserve (Continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2019		March 31, 2020	
	No. of shares*	Weighted average EP per share	No. of shares*	Weighted average EP per share
Number of options outstanding at the beginning of the year	337,749	591.99	312,629	601.01
Granted during the year	29,269	406.10	—	—
Forfeited during the year	54,389	668.82	77,382	698.21
Number of options outstanding at the end of the year	312,629	601.01	235,247	640.98
Vested/exercisable	127,705	590.06	197,113	621.71

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 3.33 years (March 31, 2019: 4.94).

The range of exercise prices for options outstanding at the end of the year was INR 414.65 to INR 753.90 (March 31, 2019: INR 380.38 to INR 691.60).

During the year ended March 31, 2020, share based payment expense for these options was recognized under personnel expenses (refer to Note 11) amounted to INR 2,309 (March 31, 2019: 19,891 and March 31, 2018: 7,748).

The following tables list the inputs to the model used for the years then ended

	March 31, 2019
Weighted average Fair value of ordinary share at the measurement date (USD)	5.67
Risk—free interest rate (%)	2.76% - 2.80%
Expected volatility (%)	38.63% - 40.64%
Expected life of share options in year	2.27 - 4.98
Dividend Yield	0.00%
Model used	Black-Scholes

The expected life of share options has been taken as mid point between first and last available exercise date.

The expected volatility reflects the assumption based on historical volatility on the share prices of similar entities over a period.

Restricted Stock Unit Plan (RSU) "2016 Plan"

The Company pursuant to the "2016 Plan" had approved a grant of 603,792 Restricted Stock Units ("RSUs") and 271,779 are outstanding as at March 31, 2020 (March 31, 2019: 280,886).

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****30. Other capital reserve (Continued)**

The restricted stock unit awards have the following vesting period:-

1. 87,879 RSUs granted, vesting of these RSAs would commence from May 31, 2017 with first vesting equivalent to 1/8th of the Balance RSAs for each of the employees and 1/8th getting vested at the end of each subsequent quarters till February 28,2019.
2. 4300 RSUs were fully vested on the grant date.
3. 7,277 RSUs granted, these RSUs would vest over a period of four years in equal quarterly installments, vesting period of which will commence from July 01, 2017 with first such vesting on September 30, 2017 equivalent to one-sixteenth of these RSAs and with the last vesting to be done on or before June 30, 2021.
4. 20,000 RSUs granted, these RSUs would vest over a period of time with first such vesting commencing from February 1,2018 equivalent to 1/10th of the RSUs and rest of the RSUs vesting subsequently, in equal lots of 1/12th of such RSUs, at the end of every quarter commencing from February 1, 2018, with the last one twelfth vesting on February 1, 2021.
5. 479,336 RSUs granted, these RSUs would vest over a period of one year in equal quarterly installments with first such vesting commencing from April 1, 2018 equivalent to 1/4th of these RSUs and with the last vesting effectuating on January 1, 2019.
6. 5,000 RSUs granted, vesting of these RSAs would commence from April 1, 2018 with first vesting equivalent to 1/4th of the Balance RSAs for the employee and 1/16th getting vested at the end of each subsequent quarters till April 1,2021.

	<u>March 31, 2019</u>	<u>March 31, 2020</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Number of RSU's outstanding at the beginning of the year	547,390	280,886
Granted during the year	—	—
Forfeited during the year	13,124	—
Expired during the year	3,645	751
Vested during the year	249,735	8,355
Number of RSU's outstanding at the end of the year	280,886	271,780
Vested/exercisable and not exercised	263,115	263,115

The weighted average remaining contractual life for RSU's outstanding as at March 31, 2020 was 0.51 years (March 31, 2019: 1.03).

The range of exercise prices for RSU's outstanding at the end of the year is Nil (March 31, 2019: Nil).

During the year ended March 31, 2020, share based compensation cost for these RSU's is recognized under personnel expenses amounting to INR 2,826 (March 31, 2019: 159,857 and March 31, 2018: 88,829). Refer to Note 11

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

30. Other capital reserve (Continued)

The expected life of RSU's options has been taken as the vesting period.

The expected volatility reflects the assumption based on historical volatility on the share prices of similar entities over a period.

31. Components of Other Comprehensive Loss

The following table summarizes the changes in the accumulated balance for each component of accumulated other comprehensive loss attributable to the Company.

	March 31,		
	2018	2019	2020
Actuarial loss on defined benefit plan:			
Actuarial loss on obligation (refer to note 34)	(5,047)	(5,776)	25,396
Income tax expense	187	250	(881)
Total	(4,860)	(5,526)	24,515
Foreign currency translation:			
Foreign currency translation differences	(9,879)	(4,834)	(28,658)
Income tax expense	—	—	—
Balance at the end of year	(9,879)	(4,834)	(28,658)

32 Borrowings

	Term	March 31,	
		2019	2020
Current			
Lease liabilities (refer to note 44)	Less than 1 year	3,071	61,267
Vehicle loan	Less than 1 year	15,654	7,187
Secured loan from banks/NBFC's**	Less than 1 year	335,750	—
Bank overdraft / Invoice Discounting	Less than 1 year	797,343	971,044
Total		1,151,818	1,039,498
Non-Current			
Lease liabilities (refer to note 44)	More than 1 year	1,032	478,361
Vehicle loan	More than 1 year	23,555	7,226
Total		24,587	485,587

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

32 Borrowings (Continued)

	Currency	Interest Rate	Year of Maturity	Carrying amount	
				March 31,	
				2019	2020
Secured bank loans/NBFC's**	INR	14.75%	2019 - 2020	161,120	—
Bank overdraft	INR	Floating rate*	On demand	797,343	719,141
Vehicle loan	INR	8 - 10%	2017 - 2022	39,208	14,413
Lease liabilities (refer to note 44)	SGD	2.99% to 3.18%	2019 - 2021	4,103	1,072
Secured bank loans	USD	9.0%	2019 - 2020	174,631	—
Invoice Discounting	INR	Floating rate***	On demand	—	251,903
Lease liabilities (refer to note 44)	INR	14.4%	2019 - 2028	—	538,556
				<u>1,176,405</u>	<u>1,525,085</u>

* 6M MCLR + spread

** Non-Banking Financial Company

*** 3M MCLR + spread

Bank overdrafts

The overdraft facility of INR 800,000 is taken from ICICI bank by the Group. The facility is secured by the fixed deposits and first pari passu charges by way of hypothecation of all fixed assets and current assets, both existing and future, including intellectual property and intellectual property rights.

Invoice Discounting

This facility of INR 500,000 is taken from ICICI bank by the Group. The facility is secured by the fixed deposits and first pari passu charges by way of hypothecation of all fixed assets and current assets (excluding one customer account), both existing and future, including intellectual property and intellectual property rights. As on March 31, 2020, the Company has utilised INR 80,000 out of the above facility for issuance of bank guarantees for "International Air Transport Association"

Term loan—InnoVen capital

During the financial year ending March 31, 2018, the Company had taken a loan amounting to INR 1,034,448 (USD 7.8 million and INR 495 million) that carries an interest of 9% per annum on loan taken outside India and an interest of 14.75% on loan taken in India. The Group received the amount in two tranches of INR 665,800 (USD 5 million and INR 320 million) and INR 368,648 (USD 2.8 million and INR 175 million). The loan is repayable in 26 and 23 monthly installments of INR 13,300 (USD 0.2 million) and INR 8,419 (USD 0.12 million) respectively each along with interest for the loan taken outside India. For the borrowing in India the loan is repayable in 26 and 23 monthly installments of INR 12,308 and INR 7,609 respectively each along with interest. Pursuant to the loan, the Company has also issued 154,000 warrants to InnoVen for them to be subscribed to equivalent

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****32 Borrowings (Continued)**

number of shares at an exercise price of \$12 per share up to September 2022 (refer Warrants section below). The loan is secured by pledge of all existing and future, current and non-current assets, including any intellectual property and intellectual property rights of the group and by the pledge of shares held by Yatra India in ATB. As on July 4, 2019, the pledge on these shares has been released against a fixed deposit of INR 50 million.

The Company had repaid balance due amounts outstanding against loans taken in India and outside India on December 24, 2019, thereby repaying all existing obligations towards the loan.

Warrants—Macquarie

In conjunction with various financing transactions, the Company issued warrants (except quoted warrants) to purchase the Company's Ordinary shares. These warrants are classified to be derivative instruments and as such, are recorded at fair value through profit and loss account. The Company estimates the fair values of the warrants at each reporting period using a Black-Scholes option-pricing model.

The Company will continue to adjust the fair value of the warrant liability at the end of each reporting period for changes in fair value from the prior period until the earlier of the exercise or expiration of the applicable warrants or until such time that the warrants are no longer determined to be derivative instruments.

Warrants—Innoven

During the financial year ending March 31, 2018, the Company had further allotted warrants against the loan facility, the fair values of the warrants was taken using a Black-Scholes option-pricing model as on the date of the allotment. These warrants are classified to be equity instruments and accounted for on the same basis.

Warrants give the holder the right to purchase ordinary shares from the Company at a specific price within a certain time frame. The details of the warrants issued are as follows:

	Number of shares	Date of issue	Exercise price	Expiration date
Macquarie Corporate Holdings Pty Limited- Ordinary shares*	46,458	24-Jul-15	INR 2,027.99 (\$26.90)	24-Jul-23
Innoven Capital—Ordinary shares	154,000	12-Sep-17	INR 904.68 (\$12)	12-Sep-22

* On December 16, 2016, the Parent Company converted its preference shares into ordinary shares and effectuated a reverse 5.4242194-for-one share split of its ordinary shares as well as a 5.4242194-for-one adjustment with respect to the number of ordinary shares underlying its share options and a corresponding adjustment to the exercise prices of such options.

Refer to Note 7 (considered derivative instruments) and Note 30 (considered equity), for movement in warrants during the year.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****32 Borrowings (Continued)****Vehicle loan**

This includes the vehicles taken on loan by the company. Refer to Note 19.

Lease liabilities

Lease liabilities include the vehicles taken on finance lease. Refer to Note 44.

33. Trade and other payables

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Trade payables	4,124,409	1,364,460
Accrued expenses	275,515	221,510
Related parties (refer to Note 42)	15,517	9,364
Refund and other payables*	852,605	1,291,810
Total	<u>5,268,046</u>	<u>2,887,144</u>
Current	5,264,949	2,859,370
Non-current	3,097	27,774
Total	<u>5,268,046</u>	<u>2,887,144</u>

Non-current portion pertains to the expenditure incurred towards advertisements made as per the advertisements contract entered with BCCL (refer note 39).

* During the year ending March 31, 2019, the Company has reassessed its estimates of likely future refund of certain customer transactions and the above liability has been adjusted accordingly.

34. Employment benefit plan

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Defined benefit obligation	106,718	78,720
Liability for compensated absences	72,287	57,513
Total liability	<u>179,005</u>	<u>136,233</u>
Defined benefit plan asset (refer to note 21)	6,339	1,898
Total asset	<u>6,339</u>	<u>1,898</u>
Net Unfunded liability	<u>100,379</u>	<u>76,822</u>

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

34. Employment benefit plan (Continued)

The Group's gratuity scheme for its employees in India, is a defined benefit plan. Gratuity is paid as a lump sum amount to employees at retirement or termination of employment at an amount based on the respective employee's eligible salary and the years of employment with the Group. The benefit plan is partially funded. The following table sets out the disclosure in respect of the defined benefit plan.

Movement in obligation

	March 31,	
	2019	2020
Present value of obligation at beginning of year	115,708	127,630
Interest cost	6,977	7,636
Current service cost	20,166	19,887
Actuarial loss on obligation		
—economic assumptions	489	(18,683)
—demographic assumptions	4,506	17
—experience assumptions	—	(7,017)
Benefits paid	(20,216)	(29,593)
Present value of obligation at closing of year	127,630	99,877

Movement in plan assets*

	March 31,	
	2019	2020
Fair value of plan assets at beginning of the year	36,534	27,251
Employer contributions	2,270	156
Benefits paid	(4,751)	(5,944)
Divestiture	(8,588)	—
Earning on assets	2,568	1,880
Actuarial loss on plan assets	(781)	(288)
Fair value of plan assets at end of the year	27,251	23,055

* Plan assets represents investment made by the Company in LIC funds

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

34. Employment benefit plan (Continued)

Unfunded liability

	March 31,	
	2019	2020
Current	24,869	21,883
Non-current	75,510	54,939
Unfunded liability recognized in statement of financial position	100,379	76,822

Funded asset

Prepayment and other assets—Non-Current	6,339	1,898
	<u>6,339</u>	<u>1,898</u>

Components of cost recognized in profit or loss

	March 31,		
	2018	2019	2020
Current service cost	14,633	20,166	19,887
Past service cost	8,683	—	—
Net interest cost	3,273	4,409	5,755
	<u>26,589</u>	<u>24,575</u>	<u>25,642</u>

Amount recognised in other comprehensive income

	March 31,		
	2018	2019	2020
Actuarial loss/(gain) on obligation*	5,047	5,776	(25,396)

* Refer to Note 31 for the movement during the year.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

34. Employment benefit plan (Continued)

The principal actuarial assumptions used for estimating the group's defined benefit obligations are set out below:

	March 31,	
	2019	2020
Discount rate	6.75 - 6.90%	5.6% - 5.8%
Future salary increase	5 - 11%	0% for first year, 5% thereafter
Average expected future working life (years)	2.34 - 3.93	2.44 - 4.15
Retirement age (years)	58	58
Mortality table	IALM (2006 - 08) Ultimate	ILAM* (2012 - 2014) Ultimate
Withdrawal rate (%)		
Ages		
Upto 30 years	40 - 70%	40 - 70%
From 31 to 44 years	30 - 35%	30 - 35%
Above 44 years	3 - 5%	3 - 5%

* Indian Assured Lives Mortality (2012-14) Ultimate represents published mortality table used for mortality assumption.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	March 31,	
	2019	2020
a) Impact of the change in discount rate		
a) Impact due to increase of 0.50%	3,406	2,135
b) Impact due to decrease of 0.50%	(2,736)	(2,017)
b) Impact of the change in salary increase		
a) Impact due to increase of 0.50%	(1,966)	(1,940)
b) Impact due to decrease of 0.50%	2,763	2,057

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. These analysis are based on a change in a significant assumption, keeping all other assumptions constant and may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

34. Employment benefit plan (Continued)

The following payments are expected contributions to the defined benefit obligation in future years:

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Year 1	29,827	26,817
Year 2	21,429	15,882
Year 3	15,107	11,705
Year 4	12,725	11,472
Year 5	11,986	8,221
Year 6 - 10	38,393	25,278
Total expected payments	<u>129,467</u>	<u>99,375</u>

35. Deferred Revenue

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Global Distribution System provider	652,895	351,974
Loyalty program	22,816	5,942
Total	<u>675,711</u>	<u>357,916</u>
Non-current	96,392	232,069
Current	579,319	125,847
Total	<u>675,711</u>	<u>357,916</u>

"Global Distribution System providers" represents the amount received upfront by the group as a part of commercial arrangement with the Global Distribution System ("GDS") providers for facilitating the booking of airline tickets on our websites or other distribution channels. The same is recognized as revenue for actual airline tickets sold over the total number of airline tickets to be sold as per the term of the agreement, in both cases sold on such GDS platforms, and the balance amount is recognized as deferred revenue.

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
At 1 April	1,470,710	675,711
Recorded in statement of profit or loss	(794,999)	(317,795)
At 31 March	<u>675,711</u>	<u>357,916</u>

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

36. Other financial liabilities

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Non-current		
Share warrants (refer to Note 32)	94	2
	<u>94</u>	<u>2</u>
Current		
Due to employees	182,495	124,074
Share warrants	383,699	418,263
Liability for the acquisition of business (refer to Note 43)	1,190,009	800,000
Total	<u>1,756,203</u>	<u>1,342,337</u>

37. Other non-financial liability, non-current

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Lease rent equalization	2,303	—
Total	<u>2,303</u>	<u>—</u>

38. Other current liabilities

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Advance from customers	702,444	774,673
Statutory liabilities	266,159	86,519
Other liabilities	93,402	99,458
Lease rent equalization	3,217	—
Interest accrued on term loan	3,155	—
Total	<u>1,068,377</u>	<u>960,650</u>

Advances from customers primarily consist of amounts for future bookings of Airline tickets, Hotel bookings and Packages.

39. Commitment and contingencies

a) Capital and other commitments:

- Contractual commitments for capital expenditure pending execution were Nil as at March 31, 2020 (INR 1,859 as at March 31, 2019). Contractual commitments for capital expenditure are relating to acquisition of vehicle, furniture and fixture, computer software and websites, computer hardware.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

39. Commitment and contingencies (Continued)

- Contractual commitments for revenue expenditure* pending execution were INR 105,000 as at March 31, 2020 (INR 106,206 as at March 31, 2019). Contractual commitments for revenue expenditure are relating to advertisement services.

The Company has entered into a debenture subscription agreement with Bennett, Coleman & Company Limited. BCCL agreed to subscribe to 1 non-convertible debenture for an aggregate consideration of subscription amount of INR 195,000 and the Company agrees to issue and allot the same to BCCL on a private placement basis. Non-convertible debentures (NCD) allotted to BCCL shall be redeemed at the redemption amount of INR 214,500 being the sum of NCD Subscription Amount and the NCD Interest. The Company also entered into an advertisement agreement with BCCL wherein the Company has paid a deposit of INR 195,000 along with the advertisement commitment amounting INR 300,000 to BCCL. This deposit will be utilised towards payments to be made in relation to advertisements released in properties owned and managed by BCCL.

b) Contingent liabilities

- i. i) Claims not recognised as liability were INR 61,363 as at March 31, 2020 (INR 86,508 as at March 31, 2019).

These represents claim made by the customers due to service related issues, which are contested by the Company and are pending in various district consumer redressal forums in India. This also includes Nil as at March 31, 2020 (INR 1,000 as at March 31, 2019) towards claim for copyright infringement. The management does not expect these claims to succeed and, accordingly, no provision has been recognised in the financial statements.

- ii. INR 251,324 as at March 31, 2020 (INR 251,324 as at March 31, 2019), represents show cause cum demand notices raised by Service Tax authorities over subsidiaries in India. Based on the Group's evaluation, it believes that it is not probable that the demand will materialise and therefore no provision has been recognised.
- iii. INR 96,608 as at March 31, 2020 (INR 96,608 as at March 31, 2019), represents show cause cum demand notices raised by Income Tax authorities over subsidiaries in India. Based on the Group's evaluation, it believes that it is not probable that the demand will materialise and, therefore, no provision has been recognised.

* Includes Advertisement and Debenture agreement with BCCL

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****39. Commitment and contingencies (Continued)****c) Operating lease commitment—Group as lessee**

As lessee, the Group's obligation arising from non-cancellable leases are mainly related to lease arrangements for real estate. These leases have various extension options and escalation clause. As per the agreements maximum obligation on non-cancellable leases are as follows:

The future minimum lease payment obligation as lessee as under:

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Within one year	104,289	—
After one year but not more than five years	337,665	—
More than five years	317,092	—
Total	<u>759,046</u>	<u>—</u>

During the year ended March 31, 2020, INR 55,007 was recognized as rent expense under other operating expenses in statement of profit and loss in respect of operating leases (March 31, 2019: INR 193,348 and March 31, 2018: INR 178,650).

40. Financial risk management, objective and policies

The Group's activities are exposed to variety of financial risk: credit risk, liquidity risk and foreign currency risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group reviews and agrees on policies for managing each of these risks which are summarized below:

a) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****40. Financial risk management, objective and policies (Continued)**

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	March 31,	
	2019	2020
Trade and other receivables	4,921,270	2,368,395
Other financial assets	1,295,448	1,063,024
Total	6,216,718	3,431,419

The age of Trade and other receivables at the reporting date was:

	March 31,	
	2019	2020
0 - 30 days	3,569,845	1,161,123
31 - 90 days	929,721	762,668
91 - 180 days	177,769	177,120
More than 180 days	243,935	267,484
Total	4,921,270	2,368,395

Allowances for doubtful debts mainly represent amounts due from airlines, hotels and customers. Based on historical experience, the Group believes that no impairment allowance is necessary, except for as disclosed in Note 26, in respect of trade receivables.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the consolidated entity aims to maintain flexibility in funding by keeping committed credit lines available.

The Group manages liquidity by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

40. Financial risk management, objective and policies (Continued)

The following tables set forth Company's financial liabilities based on expected and undiscounted amounts as at March 31, 2019 and 2020.

<u>As at March 31, 2019</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows*</u>	<u>Within 1 year</u>	<u>1 - 5 Years</u>	<u>More than 5 years</u>
Vehicle loan	39,208	44,061	18,420	25,641	—
Lease liabilities	4,103	4,605	3,534	1,071	—
Trade and other payables	5,268,046	5,268,046	5,264,949	3,097	—
Term loan	335,752	372,613	372,613	—	—
Bank overdraft	797,343	797,343	797,343	—	—
Other Current liabilities	1,664,215	1,664,215	1,664,215	—	—
Total	8,108,667	8,150,883	8,121,074	29,809	—

<u>As at March 31, 2020</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows*</u>	<u>Within 1 year</u>	<u>1 - 5 Years</u>	<u>More than 5 years</u>
Vehicle loan	14,413	15,932	8,051	7,881	—
Lease liabilities	539,628	896,745	118,750	544,361	233,634
Trade and other payables	2,887,144	2,887,144	2,859,370	27,774	—
Bank overdraft	719,141	719,141	719,141	—	—
Invoice discounting	251,903	251,903	251,903	—	—
Other Current liabilities	1,028,366	1,028,366	1,028,366	—	—
Total	5,440,595	5,799,231	4,985,581	580,016	233,634

* Represents Undiscounted cash flows of interest and principal

Based on the past performance and current expectations, the Group believes that the cash and cash equivalent and cash generated from operations will satisfy the working capital needs, funding of operational losses, capital expenditure, commitments and other liquidity requirements associated with its existing operations through at least the next 12 months. In addition, there are no transactions, arrangements and other relationships with any other person that are reasonably likely to materially affect or the availability of the requirement of capital resources.

c) Foreign currency risk

Foreign currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group operates through subsidiaries in India, Singapore and United States. The functional currency of these subsidiaries is the local currency in the respective countries and accordingly there are no related significant foreign currency exposures.

The Company currently does not have any hedging agreements or similar arrangements with any counter-party to cover its exposure to any fluctuations in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating transactions

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****40. Financial risk management, objective and policies (Continued)**

which are denominated in currency other than subsidiary's functional currency (foreign currency denominated receivables and payables).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates. Any change in the exchange rate of USD, Euro, GBP and SGD against currencies other than INR is not expected to have significant impact on the Group's profit or loss. Accordingly, a 5% appreciation of the USD, Euro, GBP and SGD currency as indicated below, against the INR would have decreased loss by the amount shown below; this analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of reporting period. The analysis assumes that all other variables remain constant.

	March 31,	
	2019	2020
5% strengthening/weakening of USD against INR	10,256	7,601
5% strengthening/weakening of Euro against INR	2,245	1,137
5% strengthening/weakening of GBP against INR	930	1,113
5% strengthening/weakening of SGD against INR	1,901	402

41. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder's value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the bank to immediately call interest-bearing loans and borrowings.

There was a breach of compliance with some of the debt covenants of the certain financing arrangement with the bank caused inter alia due to the ongoing pandemic situation arising out of COVID-19. The bank has subsequently confirmed that such breaches are not being treated as event of default under the said financing arrangement. Refer note 32.

Subsequently post balance sheet date, the Company had raised additional capital through follow-on public offering (refer to Note 46). During the financial year March 31, 2020, the company had taken an invoice discounting facility from ICICI Bank (refer to Note 32). During the financial year March 31, 2019, the Company had raised additional capital through follow-on public offering (refer to Note 29).

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

41. Capital management (Continued)

or issue new shares. No changes were made in the objectives, policies or processes during the years ended March 31, 2019 and March 31, 2020.

The Group monitors capital using a debt equity ratio, which is debt divided by total equity.

	<u>March 31,</u>	
	<u>2019</u>	<u>2020</u>
Borrowings (Note 32)	1,176,405	1,525,085
Less: Cash and cash equivalents (Note 28)	(2,161,014)	(1,365,370)
Net debt	(984,609)	159,715
Share warrants (Note 36)	383,793	418,265
Equity	2,359,749	1,491,941
Total Equity	2,743,542	1,910,206
Gearing ratio (Net debt / total equity + net debt)	-55.98%	7.72%

42. Related party disclosures

For the purpose of the consolidated financial statements, parties are considered to be related to the group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties and nature of related party relationship:

<u>Nature of relationship</u>	<u>Name of related party</u>	
Key Management Personnel	Mr. Dhruv Shringi	Co-founder, CEO and Director
	Mr. Alok Vaish (resigned on October 11, 2019)	Chief Financial Officer
	Mr. Anuj Kumar Sethi (appointed from October 18, 2019)	Principal Accounting Officer
	Mr. Murlidhara Laxmikantha Kadaba	Non-executive Director
	Mr. Sanjay Arora	Non-executive Director
	Mr. Sean Agarwal (appointed from March 1, 2018)	Non-executive Director
	Mr. Sudhir Kumar Sethi*	Non-executive Director
	Mr. Promod Haque (resigned on October 13, 2017)	Non-executive Director
	Mr. Amit Bapna (resigned on December 12, 2017)	Non-executive Director
	Ms. Neelam Dhawan (appointed from Jan 1, 2019)	Non-executive Director
Entities having significant influence	Network 18 Media and Investment Ltd. (formerly known as E-18 Limited)	

* resigned from the Board effective June 30, 2020

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****42. Related party disclosures (Continued)**

<u>Nature of relationship</u>	<u>Name of related party</u>
	IDG Ventures India Advisors Private Limited
	Reliance Capital Limited (till December 12, 2017)
	Terrapin Partners, LLC
Group Companies of entities having significant influence	Network 18 Media and Investment Ltd. (formerly known as E-18 Limited)
	Reliance Retail Limited
	Reliance Industries Limited
	Reliance Payment solutions Limited
	Reliance Jio Infocomm Limited
	Reliance Capital Limited (till December 12, 2017)
	Reliance Infrastructure Limited
	Reliance ADA Group Private Limited
	Reliance Power
	Reliance Communications Limited
	Reliance General Insurance Company Limited
	Reliance Defence Limited
	Reliance Defence Systems Private Limited
	Reliance Nippon Life Insurance Co Limited
	Reliance Nippon Life Asset Management Limited
	Reliance Home Finance Limited
	Reliance Commercial Finance Limited
	Reliance Infocomm Limited
	Reliance Defence Systems & Tech Limited
	Reliance Cement Company Private Limited
Joint Venture Company	Adventure and Nature Network Private Limited

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

42. Related party disclosures (Continued)

During the year, the Group entered into the following transactions, in the ordinary course of business on an arm's length basis, with related parties:

	March 31,		
	2018	2019	2020
Significant Influence			
Rendering of services	6,910	—	—
Group Companies of entities having significant influence			
Rendering of services	169,342	405	—
Advertisement expense	5,247	—	(300)
Interest expense	4,428	1,716	(6,400)
Communication expense	11,491	489	698
Legal and professional fees	5,497	—	—
Insurance expense	6	—	—
Recovery of expenses	103	196	944
Loan given	7,500	22,500	4,200
Interest income	78	1,824	4,810
Commission expense	—	—	45
		March 31,	
		2019	2020
Group Companies of entities having significant influence			
Trade payable	15,517	9,364	
Trade receivable	4,280	3,808	
Joint venture company			
Prepayment and Other asset	30,385	34,200	
Other current financial assets	1,642	—	
Trade receivable	—	7,993	
Investment in shares	—	3,500	

The sales to and purchases from related parties are made on terms equivalent to those that prevails in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

42. Related party disclosures (Continued)

Compensation of key management personnel of the Group

	March 31,		
	2018	2019	2020
Short-term employee benefits	47,369	50,830	46,342
Contributions to defined contribution plans	22	22	180
Profit linked bonus	8,790	7,271	18,487
Directors Sitting fee's	9,947	8,587	8,886
Share based payment	447,848	179,884	2,277
Total compensation paid to key management personnel	513,976	246,593	76,172

Provision for gratuity and compensated absences has not been considered, since the provisions are based on actuarial valuations for the Group's entities as a whole.

The amount disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

Directors' Loan and Advances

<u>Year ended</u>	<u>Interest income</u>	<u>Advances given</u>	<u>Repayment/ settlement of advances</u>	<u>Receivable</u>
March 31, 2020	—	113	113	—
March 31, 2019	—	342	342	—

43. Business Combination

Travel.Co.In Limited ("TCIL")

On February 8, 2019, Yatra Online, Inc. (the "Company"), through its subsidiary, Yatra Online Private Limited ("Yatra India") acquired all of the outstanding shares of Travel.Co.In Limited ("TCIL") pursuant to a Share Purchase Agreement by and among Yatra Online Private Limited, TCIL and the sellers party thereto (the "Share Purchase Agreement"). Pursuant to the terms of the Share Purchase Agreement, the Company has acquired all the outstanding shares of TCIL in exchange for an upfront payment of INR 58,276.

This acquisition has further strengthened the Company's position in the large and growing corporate travel market in southern India region along with adding over 100 corporate clients to its existing client base. Yatra became the largest corporate travel services platform in India by Gross Bookings. This acquisition allowed in delivering best-in-class experiences to an even wider set of travelers, through the Company web and mobile app platforms and enhancing its reach to cross-sell its entire product suite, including hotels, to this customer base.

The operations of TCIL have been consolidated in the financial statements of the Group from February 1, 2019. TCIL contributed net revenue of INR 7,231 and loss of INR INR 1,549 to the Group's result for the year ended March 31, 2019.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****43. Business Combination (Continued)****Acquisition-related costs**

The Group incurred acquisition related costs of INR 6,142 relating to external legal fees and due diligence cost. These amounts have been included in other operating expenses in the consolidated statement of profit or loss and other comprehensive loss for the year ended March 31, 2019.

Purchase consideration

Purchase consideration has been fair valued at INR 58,276 as at February 1, 2019 and get paid on February 8, 2019.

The purchase price of INR 58,276 as on the date of acquisition had been allocated to the acquired assets and liabilities as follows:

Net working capital (including cash)	(1,240)
Tangible assets	260
Customer base and relationships	5,654
Non-compete agreements	2,110
Goodwill	53,913
Deferred tax liability	(2,421)
Total purchase consideration	<u>58,276</u>
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	4,828
Cash paid	(58,276)
Net cash flow on acquisition	<u>(53,448)</u>

The table below shows the values and lives of intangibles recognised on acquisition:-

	<u>Life (years)</u>	
Customer base and relationships	4	5,654
Non-compete agreements	5	2,110
Total Intangibles		<u>7,764</u>

	<u>Goodwill</u>
Gross carrying amount	
At April 1, 2018	961,186
Acquisition of a subsidiary—Travel.Co.In Limited ("TCIL")	53,913
At March 31, 2019	<u>1,015,099</u>

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

43. Business Combination (Continued)

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of TCIL with those of the Group. The goodwill is not deductible for income tax purposes.

Air Travel Bureau Limited ("ATB")

On July 20, 2017, Yatra India agreed to acquire all of the outstanding shares of Air Travel Bureau Limited ("ATB") pursuant to a Share Purchase Agreement by and among Yatra India, ATB and the sellers party thereto (the "Share Purchase Agreement").

Pursuant to the terms of the Share Purchase Agreement, we: (a) acquired a majority of the outstanding shares of ATB on August 4, 2017 in exchange for a payment of approximately INR 510 million and (b) agreed to acquire the balance of the outstanding shares of ATB in exchange for a final payment (the "Final Payment") to be made at a second closing (the "Second Closing"). To date the Second Closing has not occurred, as Yatra India and the Sellers have not yet agreed on the computation for the Final Payment.

This acquisition significantly strengthens the Company's position in the large and growing corporate travel market in India. As a combined entity, Yatra became the largest corporate travel services platform in India by Gross Bookings. Through this acquisition, the Company had delivered best-in-class experiences to an even wider set of corporate clients and their employees, through the Company web and mobile app platforms and enhancing its reach to cross-sell its entire product suite, including hotels, to this customer base.

The operations of ATB have been consolidated in the financial statements of the Group from July 31, 2017. ATB contributed net revenue of INR 560,968 and profit of INR 7,586 to the Group's result for the year ended March 31, 2018.

Acquisition-related costs

The Group incurred acquisition related costs of INR 5,943 relating to external legal fees and due diligence cost. These amounts have been included in other operating expenses in the consolidated statement of profit or loss and other comprehensive loss for the year ended March 31, 2018.

Purchase consideration

Purchase consideration had been fair valued at INR 1,120,510 as at July 31, 2017 out of which INR 509,999 had been paid and balance had been shown under other current financial liabilities.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

43. Business Combination (Continued)

The purchase price of INR 1,120,510 as on the date of acquisition had been allocated to the acquired assets and liabilities as follows:

Net working capital (including cash)	1,245,235
Tangible assets	71,016
Long term liabilities	(695,088)
Customer base and relationships	134,681
Non-compete agreements	16,861
Goodwill	400,254
Deferred tax liability	(52,449)
Total purchase consideration	<u>1,120,510</u>

The net assets recognized on July 31, 2017, were based on the provisional assessment of the Performance Linked Bonus ("PLB"), trade payables and trade receivables. Based on the revised assessment of the PLB income, trade payables and trade receivables, there was an increase in the net assets of INR 92,734 and there was also a corresponding decrease of goodwill of INR 92,734, resulting in INR 307,520 of total goodwill arising on the acquisition.

After taking the impact of the above adjustment on the date of the acquisition, the fair value of the trade receivables was INR 1,425,036. The gross amount of trade receivables was INR 1,442,300. The difference between the fair value and the gross amount is the result of an adjustment for counterparty credit risk. At March 31, 2018, INR 18,141 of the trade receivables has been impaired.

Gross carrying amount

	<u>Goodwill</u>
At April 1, 2017	653,666
Acquisition of a subsidiary—Air Travel Bureau Limited ("ATB")	307,520
At March 31, 2018	<u>961,186</u>

Analysis of cash flows on acquisition:

Net cash acquired with the subsidiary	156,543
Cash paid	(510,000)
Net cash flow on acquisition	<u>(353,457)</u>

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****43. Business Combination (Continued)**

The table below shows the values and lives of intangibles recognised on acquisition:-

	<u>Life (years)</u>	
Customer base and relationships	15	134,682
Non-compete agreements	3.5	16,861
Total Intangibles		<u>151,543</u>

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of ATB with those of the Group. The goodwill is not deductible for income tax purposes.

Contingent consideration

As part of the share purchase agreement with the previous owner of ATB, a contingent consideration is to be paid based on certain performance conditions of the acquired business. As at the acquisition date, the fair value of the contingent consideration was estimated to be INR 1,120,510.

During the year ended March 31, 2019, it was estimated that the performance condition will be achieved due to change in business conditions and better cash flow management. The fair value of the contingent consideration determined during the year ended March 31, 2019 reflects this development, amongst other factors and a remeasurement charge has been recognised through profit or loss.

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

As at March 31, 2018	904,727
Unrealised fair value changes recognised in profit or loss	485,282
Advance paid*	200,000
As at March 31, 2019	<u>1,190,009</u>
Unrealised fair value changes recognised in profit or loss	(390,009)
As at March 31, 2020	<u>800,000</u>

* During the financial year March 31, 2019, the Company had paid INR 200,000 as an advance against the Second closing.

Till March 31, 2020, the Second Closing has not occurred, as Yatra India and the Sellers have not yet agreed on the computation for the Final Payment. Refer to the note 45.

44. Leases

The Group has lease contracts for various items of buildings, vehicles and other equipment used in its operations. Leases of buildings generally have lease terms between 3 and 9 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

44. Leases (Continued)

obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Other Equipments</u>	<u>Total</u>
Balance as of April 1, 2019	158,346	6,295	25,347	189,988
Additions	498,972	—	—	498,972
Deletions	(69,258)	(2,292)	(1,120)	(72,670)
Depreciation (Refer note 13)	(66,526)	(3,053)	(8,289)	(77,868)
Balance as of March 31, 2020	<u>521,534</u>	<u>950</u>	<u>15,938</u>	<u>538,422</u>

The following are the amounts recognised in profit or loss:

	<u>Amount</u>
Depreciation expense of right-of-use asset (Refer note 13)	77,868
Interest expense on lease liabilities (Refer note 16)	56,394
Expense relating to short-term leases (Refer note 12)	55,007
Total amount recognised in profit or loss	<u>189,269</u>

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

	<u>Amount</u>
Current lease liabilities (Refer note 32)	61,267
Non-current lease liabilities (Refer note 32)	478,361
Total	<u>539,628</u>

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****44. Leases (Continued)****The following is the movement in lease liabilities during the year ended March 31, 2020:**

	<u>Amount</u>
Balance as of April 1, 2019	210,130
Additions	479,039
Finance cost accrued during the year (Refer note 16)	56,394
Deletions	(102,202)
Payment of lease liabilities	(103,734)
Balance as of March 31, 2020	<u>539,627</u>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

	<u>Amount</u>
Less than one year	118,750
One to five years	544,361
More than five years	233,634
Total	<u>896,745</u>

45. COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") was initially detected in China, and over the subsequent months the virus spread globally. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The COVID-19 pandemic has severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. In response to the pandemic, the governments of many countries, states, cities and other geographic regions have implemented containment measures, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Individuals' ability to travel has been curtailed through border closures across the world, mandated travel restrictions and limited operations of hotels and airlines, and may be further limited through additional voluntary or mandated closures of travel-related business. The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on the business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new air travel, hotel and holiday bookings. Due to the high degree of cancellations and customer refunds and lower new bookings in the Air Ticketing and Hotels and Packages segments, the Company is experiencing unfavorable working capital trends and material negative cash flow. This is expected to continue until cancellations stabilize and travel demand begins to recover from current levels, at which time Ticketing, including air travel, and Hotel and Packages bookings and cash flow are expected to increase.

Yatra Online, Inc.**Notes to the consolidated financial statements (Continued)****for the year ended March 31, 2020****(Amount in INR thousands, except per share data and number of shares)****45. COVID-19 Pandemic (Continued)**

The Company had implemented certain measures and modified certain policies in light of the COVID-19 pandemic. For example, the Company had largely automated the re-scheduling and cancellation of bookings and provided the customers greater flexibility to defer or cancel their travel plans. In addition, the Company had also undertaken certain cost reduction initiatives, including implementing salary reductions and freezes and work from home policies, renegotiating fixed costs such as rent, deferring non-critical capital expenditures, reducing the marketing expenses and renegotiating the supplier payments and contracts. The Company expects to continue to adapt these policies and cost reduction initiatives as the situation evolves. Although travel restrictions and quarantine orders are gradually being lifted, it remains difficult to predict the duration of the long-term impact from the virus.

46. Subsequent event**Employee Rationalisation**

As a result of the COVID-19 pandemic, we have implemented salary reductions and freezes, leaves without pay and work from home policies for our employees following which in early July 2020, the Company has rationalized the headcount and there is a reduction in employees count by 917 employees in the following categories:

<u>Division/Function</u>	<u>Number of Employees</u>
Product development	30
Sales and marketing	118
Technology development and technology support	24
Others (including operations, business development, administration, finance and accounting, legal and human resources)	745
Total	917

Air Travel Bureau Private Limited ("ATB") (formerly known as Air Travel Bureau Limited)—Business Combination

On July 20, 2017, we, through our subsidiary Yatra Online Private Limited, or Yatra India, agreed to acquire all of the outstanding shares of Air Travel Bureau Private Limited (formerly known as Air Travel Bureau Limited), or ATB, pursuant to a Share Purchase Agreement, or ATB Share Purchase Agreement, by and among Yatra India, ATB and the sellers party thereto, or the Sellers. Pursuant to the terms of the ATB Share Purchase Agreement, we: (a) acquired a majority of the outstanding shares of ATB on August 4, 2017 in exchange for a payment of approximately INR 510 million and (b) agreed to acquire the balance of the outstanding shares of ATB in exchange for a final payment, or Final Payment, to be made at a second closing, or Second Closing. Further, in FY19, Yatra India had also made an advance payment of INR 200 million towards the acquisition of the balance outstanding shares of ATB.

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

46. Subsequent event (Continued)

On October 14, 2019, Yatra India and ATB entered into a Settlement and Amendment Agreement, or Settlement Agreement, with Mr. Sunil Narain, or Mr. Narain, and ATB Finance and Investment Private Limited, or ATB Finance and, together with Mr. Narain, the Sellers, pursuant to which Yatra India, ATB and the Sellers, or collectively, the Parties, have agreed, subject to the conditions set forth in the Settlement Agreement, to settle any and all disputes and claims arising from or relating to the ATB Share Purchase Agreement and also to amend certain terms of the ATB Share Purchase Agreement.

Pursuant to the Settlement Agreement, in October 2019, the Parties filed a joint application for disposal, in terms of the Settlement Agreement, of the arbitration proceedings that had previously been initiated by Yatra India against Mr. Narain and a related appeal previously filed by Mr. Narain with the High Court of Delhi. In October, 2019, the arbitration proceedings terminated and a consent award was passed by the arbitrator. Also in October, 2019 the related appeal was disposed of by the High Court of Delhi, in terms of the Settlement Agreement. In addition, pursuant to the Settlement Agreement, in October 2019, the Parties filed a joint petition with the High Court of Delhi to quash a First Information Report and all proceedings arising therefrom, which the High Court granted in December 2019, subject to certain costs imposed on Yatra India, however, following an appeal filed by Yatra India, the Supreme Court of India, issued an order in February, 2020, in which it, inter alia, reversed the cost. Finally, pursuant to the Settlement Agreement, each Party appointed an accounting firm to proceed with the calculation of the final purchase price adjustments necessary to determine the amount of a final payment to be made by Yatra India to Sellers under the ATB Share Purchase Agreement, as amended, and that process was concluded today on 29, 2020.

The amount of the final payment to be paid by Yatra India to Sellers under the ATB share purchase agreement has been determined to be INR 800 million, which is INR 390 million lower as against the earnout contingency provision of INR 1,190 million per our last balance sheet. Refer to note 43.

Ebix Merger Agreement

On June 5, 2020, the Company provided to Ebix, Inc. ("Ebix") a notice terminating the Merger Agreement dated as of July 16, 2019 by and among us, Ebix, and EbixCash Travels Inc. ("EbixCash") and filed a complaint in the Court of Chancery of the State of Delaware against Ebix and EbixCash for their various breaches of the Merger Agreement and an ancillary agreement executed by the parties on May 14, 2020 (the "Extension Agreement"). The Complaint alleges that Ebix breached its representations, warranties, covenants, and obligations in the Merger Agreement and Extension Agreement and that its conduct prevented the parties from closing the Merger. The Complaint seeks monetary damages, pre-judgment and post-judgment interest, and our reasonable fees and costs. Ebix has publicly stated that it may assert counterclaims against us, which the Company intend to defend vigorously. The outcome of legal proceedings generally, regardless of the merits, is inherently uncertain and there can be no assurances that the Company will prevail in the litigation against Ebix. In addition, litigation and related matters are costly and may divert the attention of our management and other employee resources that would otherwise be engaged in other activities, which could adversely impact our business. If any claims are brought against us and result in a finding of legal liability or if the

Yatra Online, Inc.

Notes to the consolidated financial statements (Continued)

for the year ended March 31, 2020

(Amount in INR thousands, except per share data and number of shares)

46. Subsequent event (Continued)

Company were unable to prevail in our claims in this litigation, our business, results of operations, liquidity and financial condition could be adversely affected. In addition, allegations of wrongful conduct by Ebix, regardless of veracity, may harm our reputation, which may also adversely impact the Company business and growth prospects.

Follow-on Public Offering

On June 23, 2020, we completed a follow on public offering in which we offered and sold an aggregate of 12,500,000 ordinary shares, at a public offering price of \$0.80 per share. On June 24, 2020, pursuant to the underwriters' full exercise of their option to purchase additional shares, we sold an additional 1,875,000 ordinary shares in the offering at the public offering price. The aggregate price of the offering amount registered and sold was \$ 11,388. The Company intends to use the net proceeds from the offering for general corporate and business purposes.

The amount of the final payment to be paid by Yatra India to Sellers under the ATB share purchase agreement has been determined to be INR 800 million, which is INR 390 million lower as against the earnout contingency provision of INR 1,190 million per our last balance sheet. Post this settlement, ATB will become a 100% subsidiary of Yatra, which will allow for greater integration of the business going forward. Refer to note 43.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Date: July 31, 2020

YATRA ONLINE, INC.

By: /s/ DHRUV SHRINGI

Name: Dhruv Shringi

Title: *Chief Executive Officer*

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Dhruv Shringi, certify that:

1. I have reviewed this Annual Report on Form 20-F of Yatra Online, Inc. (the "Company");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the Annual Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: July 31, 2020

By: /s/ Dhruv Shringi
Name: Dhruv Shringi
Title: Chief Executive Officer (Principal Executive Officer)

**Certification by the Principal Financial Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Anuj Kumar Sethi, certify that:

1. I have reviewed this Annual Report on Form 20-F of Yatra Online, Inc. (the “Company”);
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the Annual Report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the Audit Committee of the Company’s Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: July 31, 2020

By: /s/ Anuj Kumar Sethi
Name: Anuj Kumar Sethi
Title: Principal Financial Officer and Principal Accounting Officer

**Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Yatra Online, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 20-F of the Company for the year ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2020

By: /s/ Dhruv Shringi
Name: Dhruv Shringi
Title: Chief Executive Officer (Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

**Certification by the Principal Financial Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Yatra Online, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 20-F of the Company for the year ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2020

By: /s/ Anuj Kumar Sethi

Name: Anuj Kumar Sethi

Title: Principal Financial Officer and Principal Accounting Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amend

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-218498) pertaining to the 2006 Share Plan and 2016 Stock Option and Incentive Plan of Yatra Online, Inc.;
- (2) Registration Statement (Form F-3 No. 333-224661) of Yatra Online, Inc. and

of our report dated July 31, 2020, with respect to the consolidated financial statements of Yatra Online, Inc., included in this Annual Report (Form 20-F) for the year ended March 31, 2020.

/s/ Ernst & Young Associates LLP

Gurugram, India
July 31, 2020
