

Nikhil Dhaka, Vice President, Primus Partners

Published in Mint

June 13, 2025

Ola starts no-commission model for cabs amid high competition

# Ola starts no-commission model for cabs amid high competition

Sakshi Sadashiv

sakshi.sadashiv@livemint.com

NEW DELHI

**R**ide-hailing platform Ola has rolled out a zero commission model for its cab drivers, according to persons familiar with the matter. This marks a shift towards a subscription-based structure in response to growing competition.

The move follows newer players like Rapido and Namma Yatri, which introduced Software-as-a-Service (SaaS)-style models that allow drivers to retain 100% of their earnings in exchange for a fixed daily or monthly platform fee.

Uber and Ola initially adopted this model for auto-rickshaws—Uber rolled it out earlier this year, while Ola did so in April 2024. Ola's decision to extend the model to its cab segment appears aimed at retaining drivers and staying competitive, particularly as Rapido expands its services beyond mobility, venturing into food delivery.

"This is a significant win for drivers, who generally prefer a



Ola's move is to retain drivers and stay competitive. BLOOMBERG

fixed subscription model that lets them retain 100% of their fares, rather than dealing with unpredictable commissions. It could also help reduce ride cancellations and driver churn. However, the impact on consumers remains to be seen," said Nikhil Dhaka, vice president at Primus Partners.

As per a post on Ola's Facebook, the firm is now offering a 30-day pass priced at ₹67 per day. This pass gives drivers full access to the platform with no commission cut on rides.

Ola did not immediately respond to *Mint's* queries

regarding the rollout and future plans for the new model.

Ola's shift to a subscription-based model could affect its GST obligations, particularly the 5% tax levied on aggregator-facilitated rides. While SaaS platforms like Namma Yatri have been exempted from GST by the Karnataka AAR, others like Rapido remain liable, having been classified as e-commerce operators.

"It remains to be seen how this shift will impact Goods and Services Tax (GST) taxation, especially as newer platforms with linkages to workers' associations enjoy exemptions, while other incumbents remain liable to pay GST under current laws. As more platforms pivot to SaaS models, this regulatory disparity could become more pronounced," said Soujanya Sridharan, a researcher at the Aapti Institute. Last year, Uber challenged this inconsistency before the Karnataka Authority for Advance Rulings and the GST Council, arguing that it creates unfair competition and ambiguity in the interpretation of tax laws.