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Ola lays off 700 employees, shuts down TaxiForSure business

By [Aditi Shrivastava](#) & [Vikas SN](#), ET Bureau | Aug 17, 2016, 02.04 AM IST

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BENGALURU: [Ola](#) has shut down its [Taxi-ForSure](#) business and has laid off 700 employees, according to three [people](#) directly aware of the developments at India's largest cab aggregator.

The move comes nearly a year and half after Ola acquired its crosstown rival TaxiForSure for \$200 million to gain [market](#) leadership against rival [Uber](#), the most-valuable startup in the world. Since the acquisition, Ola has been shutting down TaxiForSure as an independent brand across various [cities](#) and integrating TaxiForSure offerings to its own app. The unit had also witnessed an exodus of senior management within months of its acquisition, including the departure of CEO Arvind Singhal.

"Since the acquisition, Ola has been unclear about the brand positioning of TaxiForSure," said a top executive at the company. "Silently, the TaxiForSure fleet was transferred to Ola supply and even incentives were more lucrative for Ola vs TaxiForSure," this person added.

Ola did not immediately comment. The total cost reduction with these layoffs is close to Rs30 crore a month, said an investor with direct knowledge of the company's financials.

The development also comes at a time when the SoftBank-backed aggregator is looking to reduce its cash burn as the battle with rival Uber is set to intensify in the country. Especially [so](#) after the latter sold its cash-guzzling China operations to Didi Chuxing, which is also a minority investor in

. ET had reported in March that Ola was restructuring its [business](#) to step up focus and investment in its core taxi service after pulling down the shutters on experiments such as [food](#) and grocery delivery.



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