

Business Standard

Uber blinks, to comply with Karnataka rules for app-based taxi aggregators

Applies for permit, to abide by fare capping and no-surge pricing rules

Alnoor Peermohamed | Bengaluru June 08, 2016 Last Updated at 10:30 IST



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Uber on Tuesday applied for a licence to operate in Karnataka under the new rules governing app-based taxi aggregators, indicating that it will comply with the policies on fare capping and no-surge pricing.

The move comes even as Uber's appeal against the new rules is pending before the Karnataka High Court. It was filed last week against the government and the local transport department. Uber, which has several run-ins with the local government, had called the state rules unconstitutional and without legislative backing. The taxi aggregator has had trouble with the local government in several places around the world.

The pioneer of the on-demand model has maintained that it was a technology player and does not require regulation.

An application for licence would mean that Uber has finally accepted to play by the local rules in India, a large market that it needs to capture. Uber is trailing Ola in India. Ola has already filed for such a licence in Karnataka. Both players see Bengaluru as one among the largest markets in the country.

Karnataka High Court judge Aravind Kumar, who heard Uber's arguments last week, mandated that the company, along with Ola, submit all necessary documents to the transport department before June 20. The next hearing is also on the same date.

Ola had found itself in a hot soup when it was discovered that the Regional Transport Office had clubbed its application along with that of the subsidiary, TaxiForSure, but had processed for two separate licences.

According to Deccan Herald, a senior RTO officer later clarified that both companies did meet the requirement of having 100 vehicles each that were fitted with GPS trackers and physical panic buttons.

The Karnataka on demand Transportation Technology Aggregators Rules-2016, which came into effect in April, mandates that aggregators should obtain licences to operate cabs and taxis, comply with the cap on fares prescribed by the government and end surge pricing.

"This is the very legislation they are challenging in the court that they are now submitting to, the moment they apply for an application under that. In terms of legality it would adversely affect their position, but how far the court takes the stand is yet to be seen," said Salman Waris, Partner Technology practice at Delhi-based law firm [TechLegis](#) Advocates and Solicitors.

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