

HSF – NLU DELHI INTERNATIONAL NEGOTIATION COMPETITION 2017

Preliminary Round 1

IN THE DRIVING SEAT FOR HAPPY TAXI

Negotiations Between

RIDEON CORPORATION (“RIDEON”)

&

HAPPY TAXI COMPANY (“HAPPY TAXI”)

Negotiation Plan for
HAPPY TAXI COMPANY

Submitted by
TEAM CODE 19

GOALS

To secure a favorable acquisition price for Happy Taxi and settle on favorable acquisition terms, which accommodate the continuance of current CSR practices and GoTaxi's involvement with the acquired business.

INTERESTS & OBJECTIVES

HAPPY TAXI

1. To secure an acquisition price for Happy Taxi & GoTaxi in the range of US\$ 180 and 200 million.
2. To secure the continuance of Happy Taxi's CSR activities, especially the environment-related initiatives.
3. In the event RideOn does not acquire GoTaxi, to settle on terms that will ensure GoTaxi's involvement in the business, post the acquisition.
4. To ensure that Happy Taxi's business values and ideals are preserved post the acquisition.
5. To ensure the timely completion of the deal by the end of 2017.

RIDEON (*likely*)

1. To enter the Indian cab aggregator market and tap its huge potential by acquiring Happy Taxi.
2. To build its reputation as a customer-friendly service provider in India.
3. To reduce the cost of regulatory compliance management for its network of drivers in India.
4. To secure Happy Taxi's corporate customers by getting change of control consent from most clients, in order to ensure a strong entry into the Indian market.

STRENGTHS & WEAKNESSES

HAPPY TAXI

Strengths

1. Happy Taxi has a strong reputation as a credible, safe and friendly taxi service.
2. It is well-established in India with strong presence in Delhi, Mumbai and Bangalore.
3. It has a strong compliance monitoring mechanism for its network of taxi drivers.
4. It has a sizeable share in the Indian taxi market, both in terms of riders and drivers.
5. It has a valuable corporate clientele.
6. Happy Singh's positive image is an asset to the company.

Weaknesses

1. Happy Taxi's presence is limited to India.
2. It is difficult to secure change of control consents for all corporate clients.
3. Amir's reluctance in getting involved with the business leaves Happy Singh with no choice apart from selling Happy Taxi.

RIDEON

Likely Strengths

1. RideOn has large international presence and a more varied experience in the industry.

Likely Weaknesses

1. RideOn has suffered damage to its public image due to recent controversies.

- | | |
|---|---|
| <ul style="list-style-type: none"> 2. It is one of the fastest growing taxi service apps. 3. Its cheap pricing and quick services allows them to have a greater market penetration. | <ul style="list-style-type: none"> 2. RideOn has no experience in the Indian market and the Indian regulatory framework. |
|---|---|

NEGOTIATION AGENDA

- 1. To discuss RideOn’s roadmap and strategy for its business in India.
- 2. To discuss the continuance of Happy Taxi’s CSR initiatives post the acquisition.
- 3. To discuss GoTaxi’s involvement in the deal.
- 4. To settle on an acquisition price for Happy Taxi.
- 5. To discuss the terms of payment for the acquisition.

NEGOTIATION STRATEGY

Our most important goal is to ensure that Happy Taxi’s reputation, values and ideals are preserved post the acquisition. We shall attempt to show RideOn that the damage to its public image can be detrimental to its business in India. Thus, carrying on Happy Taxi’s CSR initiatives will help them restore their image. We understand that acquiring GoTaxi might not be RideOn’s plan. Hence, if GoTaxi is not acquired we would like to discuss the possibilities of its involvement as a part of RideOn’s Indian operations. Our goal is to secure an acquisition price of about US\$200 million for Happy Taxi and GoTaxi. We are, however, willing to accept staggered payments or shares, subject to US\$ 100 million being paid immediately upon completion of the acquisition, which we would like to happen by the end of 2017. Harish Singh is also willing to obtain change of control consents from the top three major corporate customers as a condition precedent to the completion of the transaction. In order to ensure RideOn’s smooth transition into India, Harish is willing to serve in a consultancy role in the initial stages of RideOn’s Indian operations. We shall keep in mind parties’ interests, explore options and attempt to create a win-win situation.

DIVISION OF ROLES & TACTICS

Mr. Harish Singh of Happy Taxi has assumed the role of lead negotiator & decision maker. His role would be to attempt to find common ground between parties’ interests and utilize them to make decisions, that compliment Happy Taxi's interests and create a win-win situation.

Happy Taxi’s Counsel will take on an advisory role and deal with the compliance and financial dimensions of the proposed acquisition, to ensure that the rights and interests of Happy Taxi are secured.

BATNA & WATNA

HAPPY TAXI

BATNA

To look for the next best potential acquirer for its businesses.

WATNA

To continue with Happy Taxi’s business in India due to its inability to find a suitable acquirer.

RIDEON

Likely BATNA

To enter the Indian market by either acquiring one of Happy Taxi’s competitors or establishing a subsidiary.

Likely WATNA

To reconsider its plan of expanding into India till the regulatory requirements are eased.

END