



NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0 NMT 4.0

NALSAR MEDIATION TOURNAMENT 4.0

NMT 4.0 NMT 4.0



GENERAL INFORMATION



MEET OUR SPONSORS!

Knowledge and Media Partner



Associate Sponsors



Opportunities Partners





THE HALF-BUILT HOME: A MEDIATION OF MISSING PIECES

In 2010, Mr. Krishnan Iyer, a retired professor of English literature in his early 70s, faced a pivotal decision regarding his ancestral property in Hyderabad. The bungalow, built by his parents in the 1960s, stood on a sprawling 4,500-square-foot plot in one of the city's most sought-after residential neighbourhoods'. Over the decades, the property had served as a cherished family home, hosting countless celebrations and milestones. The house also featured a borewell that had reliably served as the family's water source for decades. However, the house showed visible signs of deterioration: the structure was aging, the roof leaked during monsoons, and the garden, lovingly maintained by Mr. Iyer's late wife Meera, had fallen into neglect. Mr. Iyer's children, both settled abroad, encouraged him to consider redevelopment, citing the property's soaring market value of over ₹10 crores. Although deeply attached to the house, Mr. Iyer eventually decided to explore redevelopment as a way to modernize his living arrangements and secure his retirement.

The Joint Development Agreement (JDA)

Around the same time, Mr. Dinesh Agarwal, a well-known real estate developer in Hyderabad, was actively seeking redevelopment opportunities in prime locations. With a reputation for delivering mid-sized residential projects, Mr. Agarwal saw tremendous potential in Mr. Iyer's land. Its location near top schools, hospitals, and commercial hubs made it ideal for a lucrative residential project. After extensive discussions, Mr. Agarwal proposed a Joint Development Agreement (JDA), which Mr. Iyer accepted in late 2010. Under the agreement:

- **Redevelopment Plan:** Mr. Agarwal would redevelop the plot into a five-story residential complex with 12 units, comprising six 2BHK apartments (1,000 square feet each) and six 3BHK apartments (1,500 square feet each).
- **Mr. Iyer's Share:** Mr. Iyer would receive three 2BHK apartments on the top floor, two reserved parking spaces, and 25% of the profits from the sale of the remaining units.
- **Mr. Agarwal's Obligations:** Mr. Agarwal would bear all construction costs, manage approvals, and oversee marketing and sales of the units.

Delays and Deviations

Construction began in 2011 but soon encountered delays. Municipal approvals took longer than anticipated, and a local labor strike disrupted the workforce, pushing the project back by over two years. By 2013, the project was still incomplete, causing significant anxiety for Mr. Iyer, who had begun to question the feasibility of the project. When the building was finally completed in 2014, Mr. Iyer was informed of significant deviations from the original plan.

Structural engineers determined that the top floor could not safely accommodate three 2BHK apartments as promised in the agreement. To comply with safety regulations and maintain the building's structural integrity:

- Mr. Iyer was allocated two 2BHK apartments on separate floors—the fourth and third floors—and one smaller 1BHK apartment (600 square feet) on the second floor.

While Mr. Agarwal viewed these changes as necessary and fair, Mr. Iyer felt betrayed. For Mr. Iyer, the promise of three top-floor apartments had been central to his vision of the redevelopment, which he had imagined as a shared living space for himself and his visiting children.

Borewell Ownership Dispute

The redevelopment also raised questions about the property's borewell. Originally owned by Mr. Iyer, the borewell had been incorporated into the building's shared amenities during construction. It now supplied water to all 12 apartments, including those sold to other residents. However, the borewell's ownership was not explicitly addressed in the JDA.

- **Mr. Iyer's Position:** Mr. Iyer believes the borewell remains his property and expects compensation for its use as a shared resource benefiting all flats.
- **Mr. Agarwal's Position:** Mr. Agarwal asserts that the borewell, now serving the entire building, should be considered a common asset. He further points out that during redevelopment, the borewell had to be deepened by an additional 200 feet to meet the water requirements of the larger complex, a cost he bore without charging Mr. Iyer.





Incomplete Construction

Several key construction elements remained incomplete, adding to Mr. Iyer's frustration:

1. **Lift ARD:** The lift lacked an Automatic Rescue Device (ARD), essential for safety during power outages. Installation was estimated to cost ₹1.5 lakhs.
2. **Compound Wall:** The boundary wall surrounding the property was left unplastered, leaving the building exposed to trespassers. Completion was estimated to cost ₹2 lakhs.
3. **Rainwater Drainage:** Poorly designed drainage caused water seepage into neighboring properties, straining Mr. Iyer's relationships with his long-time neighbors. Repairing the system was estimated to cost ₹3 lakhs.

Mr. Iyer viewed these shortcomings as failures on Mr. Agarwal's part to fulfill his contractual obligations. Mr. Agarwal, however, argued that financial constraints caused by unsold flats delayed the resolution of these issues.

Residents' Welfare Association (RWA)

Although the building was completed and most units sold, the Residents' Welfare Association (RWA) had not been established. This left shared amenities such as water supply, parking, and waste management in a state of disarray. While both parties agreed that setting up the RWA was essential, they differed on how to initiate the process and allocate responsibilities.

Financial Disputes

The financial arrangement between Mr. Iyer and Mr. Agarwal also became contentious.

- **Mr. Iyer's Claim:** He asserted that Mr. Agarwal owed him ₹3 lakhs as an advance on his 25% profit share.
- **Mr. Agarwal's Response:** He maintained that profits would only be distributed after all units were sold, citing sluggish market conditions and the presence of six unsold flats as the cause of the delay.

The Mediation

For Mr. Iyer, the redevelopment came at a heavy emotional cost. The removal of mango trees planted by his wife and the loss of the family garden left him feeling disconnected from his past. Instead of finding peace in a secure and modern living arrangement, he found himself grappling with unfulfilled promises and disputes. For Mr. Agarwal, the project had become a financial and reputational challenge. Rising construction costs and delays had eaten into his margins, and the ongoing disputes with Mr. Iyer jeopardized the sale of the remaining flats.

In 2024, after years of unresolved issues and failed negotiations, both parties agreed to mediation as a last resort to address the following issues:

1. Completion of pending construction work (lift ARD, compound wall, and drainage).
2. Disputes over flat allocation and compensation for deviations from the JDA.
3. Borewell ownership and potential compensation.
4. Financial disagreements regarding the profit-sharing arrangement.
5. Establishment of the RWA.

Both sides hope the mediation would yield an amicable resolution that respected the original spirit of the agreement while addressing the practical realities of the situation.

