

NATIONAL MEDIATION COMPETITION 2026

MEDIATION PROPOSITION

GENERAL INFORMATION

1. Background

In 2021, two engineering graduates, Aarav Malhotra and Rohan Sethi, founded GreenGrid Technologies Private Limited, a Bengaluru-based technology startup. The company developed an artificial intelligence-based energy optimization platform designed to help large commercial buildings reduce electricity consumption and carbon emissions.

The idea originated during their postgraduate research project. Aarav was primarily responsible for business development, fundraising, investor relations, and strategic planning. Rohan was responsible for software architecture, product development, and technological innovation.

The founders incorporated GreenGrid Technologies with equal shareholding. Over the next three years, the company secured contracts with several commercial real-estate developers, hospitals, and educational institutions throughout India.

By early 2025, GreenGrid had emerged as one of India's fastest-growing climate-tech startups.

2. Growth of the Company

- Between 2022 and 2025, GreenGrid completed three rounds of fundraising.
Seed Round (2022): ₹3 Crores
Pre-Series A (2023): ₹12 Crores
Series A (2024): ₹45 Crores
- Following the Series A investment, the founders' shareholding reduced from 50% each to approximately 28% each.
- The remaining shares were held by institutional investors and employee stock option holders.
- The investment agreements provided investors with certain protective rights, including the right to approve acquisitions above specified thresholds.
- Despite rapid growth, GreenGrid faced increasing pressure to achieve profitability.

3. Emergence of Disputes

- During 2025, differences emerged between the founders regarding the future direction of the company.
- Aarav believed GreenGrid should pursue an acquisition by a larger multinational energy company. According to him, acquisition would provide stability, liquidity for investors, and access to international markets.
- Rohan strongly disagreed.
- He believed that the company possessed unique technology and should continue operating independently. He maintained that the company could achieve a significantly higher valuation within three to five years.
- Board meetings became increasingly contentious.
- Several senior employees reported that strategic decisions were being delayed due to disagreements between the founders.

4. Acquisition Offer

In November 2025, EcoSphere Global Ltd., a multinational clean-energy corporation headquartered in Singapore, approached GreenGrid with an acquisition proposal.

EcoSphere proposed acquiring 100% ownership of GreenGrid for approximately ₹420 Crores.

The proposal included:

- Retention of most employees.
- Expansion of operations into Southeast Asia.
- Continued development of GreenGrid's technology platform.
- Employment contracts for key managerial personnel.

- The Board considered the offer attractive.
- Several investors expressed support for the transaction.
- Aarav strongly advocated acceptance of the offer.
- Rohan opposed the proposal and voted against initiating final negotiations.

5. Internal Investigation

- During acquisition due diligence, EcoSphere's consultants identified irregularities relating to customer acquisition practices.
- The consultants observed that a consulting company named StratEdge Advisors had received substantial payments from GreenGrid over a two-year period.
- The consultants questioned whether these payments represented genuine consulting services or concealed commissions.
- Further examination revealed that StratEdge Advisors had previously been associated with an individual who had professional connections with Aarav.
- Although no formal finding of wrongdoing was made, the consultants requested additional documentation.
- The issue became a major point of disagreement within the company.
- Rohan argued that the payments exposed GreenGrid to reputational risk and regulatory scrutiny.
- Aarav denied any misconduct and stated that all payments were approved through proper corporate procedures.

6. Breakdown of Relationship

- Relations between the founders deteriorated rapidly.
- Aarav accused Rohan of deliberately obstructing corporate decisions and damaging investor confidence.
- Rohan accused Aarav of prioritizing personal financial gain over the company's long-term interests.
- Communication between them became limited.
- Employees increasingly aligned themselves with one founder or the other.
- Several senior engineers threatened resignation if uncertainty continued.

7. Investor Concerns

By January 2026, investors expressed concern regarding the ongoing dispute.

Investor representatives warned that:

- The acquisition proposal might be withdrawn.
- Employee morale was deteriorating.
- Major customers were seeking assurances regarding continuity of services.
- Future fundraising could become difficult.

The Board encouraged both founders to explore alternative dispute-resolution mechanisms.

8. Public Developments

- In February 2026, a business news portal published an article describing significant disagreements among GreenGrid's leadership.
- The article generated widespread discussion within the startup ecosystem.
- Several clients contacted GreenGrid requesting clarification.
- EcoSphere subsequently informed the company that uncertainty surrounding management stability could affect the acquisition proposal.

9. Legal Issues Raised

The parties have exchanged legal notices raising concerns regarding:

- Breach of fiduciary duties.
- Corporate governance failures.
- Mismanagement.
- Shareholder rights.
- Valuation of the company.
- Intellectual property ownership.
- Founder employment obligations.

No litigation has yet commenced.

10. Mediation

- 1) The Board of Directors unanimously resolved that the founders should participate in mediation before initiating any legal proceedings.
- 2) Both parties have agreed to attempt mediation in good faith.
- 3) The objective of the mediation is to identify a mutually acceptable resolution concerning:
 - The future ownership structure of GreenGrid.
 - The acquisition proposal.
 - Governance arrangements.
 - Financial claims.
 - Reputational concerns.
 - Future business relationships.
- 4) The mediation shall proceed on a confidential basis.
- 5) The parties reserve all legal rights and remedies should mediation fail.

11. Issues for Consideration

The issues listed below are not exhaustive:

1. Whether GreenGrid should proceed with the proposed acquisition.
2. Whether either founder should exit the company.
3. Whether governance reforms are necessary.
4. Whether any compensation or indemnification arrangements are appropriate.
5. How concerns regarding investor confidence and employee retention may be addressed.
6. Whether the parties can preserve a future professional relationship.
7. Any other matter that the parties may mutually agree to discuss during mediation.