



Real Estate Regulatory Authority, Karnataka

No. 1/14, Ground Floor, Silver Jubli Block, Unity Building, C.S.I. Compound, 3rd
Cross, Mission Road, Bengaluru-560027



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No/RERA/ ADM/CR-51/ 2019-20

Dated:25.11.2019

PROCEDURE FOR K-RERA CONCILIATION AND DISPUTE RESOLUTION CELL.

Whereas the Chairperson of the Authority is vested with the powers of general superintendence and directions in the conduct of affairs of the authority under Section 25 of the Real Estate (Regulation and Development) Act, 2016 (RERA).

As per Section 32 (g) of the Real Estate (Regulation and Development) Act 2016, **Karnataka Real Estate Regulatory Authority** must take measures to facilitate amicable conciliation of disputes between the promoters and the allottees through dispute settlement cell.

With this objective, it was proposed to establish **KRERA Conciliation and Dispute Resolution Cell ('KCDRC')** that shall facilitate resolution of disputes amicably before referring the dispute to the Authority or the Adjudicating Officer, thereby saving cost and time of litigation to parties.

Under this mechanism, the Conciliation Cell shall facilitate the amicable settlement of disputes between the allottees and the promoters through a mechanism of free deliberations facilitated by the representative of Buyer Association, Promoter Association and RERA conciliation consultant. If the conciliation is not successful the complaint will pass through the adjudicating process.

I. Objectives of the KCDRC :

1. To constitute / establish panel of eminent Conciliators representing different stakeholder groups.
2. To follow Conciliation Rules emanating from best practise adopted by various similar forums.



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3. To promote and popularize the amicable and effective settlement of disputes arising with reference to Real Estate (Regulation and Development) Act 2016.
4. To popularize conciliation as an effective dispute resolution mechanism with moderate cost (cost effective) and speedy settlement of disputes.
5. To co-ordinate/assist ADR proceedings by establishing facilities and providing administrative facilities.
6. Finally providing the best platform for ADR(Alternate Dispute Resolutions).

II. Composition of Core Committee:

The Core Committee has been established to guide and monitor the functioning of the Cell. The Core Committee will be headed by the Secretary, KRERA. KRERA will provide administrative as well as financial logistics to the cell. KRERA Conciliation Cell shall be primarily governed by Secretary of KRERA



III. Roles and responsibilities of Core Committee:

The Secretary will be the Chairperson and shall have the powers of general superintendence, in addition to presiding over the meetings Committee and exercise and discharge such administrative powers and functions of the **KCDRC** as may be needed from time to time.

IV.

1. Role of Conciliators :

1. The Conciliators are supposed to be impartial and conduct the conciliation proceedings in an impartial manner.
2. They are guided by the principles of natural justice, objectivity and fairness in a given situation of nature of the dispute.
3. The Conciliators are not bound by the rules of procedure and evidence.
4. The Conciliators do not give any award or order.
5. The Conciliators try to bring legally acceptable agreement as to the dispute between the parties by mutual consent.
6. The agreement so arrived at, is signed by the parties and authenticated by the conciliator.

2. Location of the Conciliation Cell:

Will operate, from office of KRERA (only on Saturdays). The venue, date and time will be allocated by the Core Committee on KCDRC.



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3. **Procedure for Conciliation:**

1. The Disputes between allottees, promoter and the agents which are under purview of Real Estate (Development and Regulation) Act, 2016 and Rules framed thereunder shall be admissible by the Cell,
2. The Party initiating the Conciliation, will file his/her on-line application and the same will be automatically emailed to the other party.
3. The other party has to convey his consent for Conciliation within five (05) days.
4. On receipt of the consent from the other party, the first party shall make payment of non-refundable Fees (Rs.500).
5. Thereafter, the matter will be referred to the Conciliation Cell and the Parties will be intimated the Date, Time and Venue of the Hearing.
6. Both parties are expected to be present in person or through their authorized representatives.
7. Both the Conciliators will facilitate resolution of dispute between the parties in an informal and amicable manner.
8. If the parties agree to any settlement, the Consent Agreement will be drawn, which will be signed by the Parties concerned and the Conciliators.
9. The settlement agreement arrived with the consensus of the parties shall be binding on both the parties.
10. In case, the Parties fail to reach an amicable settlement, the Conciliation process will stand terminated and the Parties concerned will be at liberty to pursue their dispute before KRERA Dispute Redressal mechanism.
11. In case, the parties fail to abide by the Consent Agreement, the Parties concerned will be at liberty to pursue their dispute before KRERA Dispute Redressal mechanism.
12. The date for receiving online application for applying in the Conciliation Cell will be intimated through a notification/circular.



4. Conciliation proceedings:

Either party to the dispute can commence the conciliation process. When one party invites the other party for resolution of their dispute through conciliation, the conciliation proceedings are said to have been initiated. When the other party accepts the invitation, the conciliation proceedings commence. If the other party rejects the invitation, there are no conciliation proceedings for the resolution of that dispute.

Generally, two Conciliators from representative of Buyer Association, Promoter Association are appointed to resolve the dispute between the parties.

5. Settlement of disputes:

1. Conciliators are not expected to act, after the conciliation proceedings are over, as an arbitrator.
2. The conciliation proceedings are confidential in nature.
3. The parties shall not rely on or introduce as evidence in judicial proceedings, (a) the views expressed or suggestions made for a possible settlement during the conciliation proceedings; (b) admissions made by any party during the course of the conciliation proceedings; (c) proposals made by the Conciliators for the consideration of the parties; (d) the fact that any party had indicated its willingness to accept a proposal for settlement made by the conciliator; and that the Conciliators shall not be produced or presented as a witness in any such judicial proceedings.

6. Procedure for referring complaints to KRERA Conciliation and Dispute Resolution Cell by KRERA or Adjudicating Officer of KRERA:



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The following guidelines are issued for the parties in existing complaints who are desirous of undertaking conciliation process so as to ensure participative decision making, preservation of ongoing relationships, and mutually win-win solution.

1. While a complaint is being heard by Authority or an Adjudicating Officer of KRERA and the said authority is satisfied that there is a possibility of settlement by way of conciliation, then with the consent of both the parties involved, it may refer the complaint to a Conciliation Cell.
 2. While referring the complaint, the said authority shall provide a time limit before which the conciliation panel should submit its report.
 3. The Conciliation Cell shall make sincere effort to complete the conciliation proceedings before the deadline fixed in the matter and submit its report to the said Authority.
 4. The said authority shall take , the report of the Conciliation Cell on record and decide the case.
7. **Non-attendance of parties for conciliation proceedings even after providing consent:**

If a conciliation application, wherein both parties have provided consent and the complainant has paid the fees, but other party does not appear for conciliation hearing then Conciliation Cell with their observations, may decide to refer such case to KRERA. The Authority, on receiving such a case, shall take a decision and the said decision may include treating the said matter as a suo-motu complaint.

8. **Unsuccessful Conciliation:**

If both parties remain present during hearing but in the event of unsuccessful conciliation due to lack of agreement on terms of conditions of settlement, then the conciliation Cell may decide to refer such a case to



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the KRERA authority which shall take a decision that may include to take the matter as suo-motu complaint if it relates to the issue of general importance.

9. Successful Conciliation but not executed or not complied:

In case of successful conciliation, wherein both the parties have resolved their dispute amicably but the compliance/execution of settlement agreement is delayed beyond the time mentioned in the settlement agreement then in that case the other party will be at liberty to pursue their dispute before KRERA Dispute Redressal mechanism or before any other Court or Cell and this will be considered as the failure of conciliation.

V. Conciliation Clause

The KRERA recommends to all parties desirous of making reference to conciliation by this **KCDRC** shall provide the following conciliation clause in their existing and future contracts if law applicable does not prohibit such reference.

"Any dispute or difference whatsoever arising between the parties relating to or arising out of contract, may be settled through KRERA Conciliation and Dispute Resolution Cell ('**KCDRC**'). If the dispute is not settled by conciliation within 30 days of the initiation of conciliation or such further period as the parties shall agree in writing, the same shall be referred to KRERA for adjudication.

(As approved by the Authority)

K. S. Lakshminarayanan
Secretary,

Karnataka Real Estate Regulatory Authority

Copy to:

1. PS to Hon'ble Chairman, K-RERA for information
2. PA to Member-1, K-RERA for information
3. PA to Member-2, K-RERA for information
4. Record copy.

