

Ministry of Shipping

New Dispute Mechanism "SAROD" launched by Government of India

September 10, 2020

Relevant to Mahindra Logistics, Tech M

Background

- It has been established under the Societies Registration Act, 1860 for affordable and timely resolution of disputes in a fair manner
- The mechanism is similar to provision available in the highway sector in the form of SAROD-Roads constituted by NHAI
- Terming SAROD-Ports as a game-changer, the shipping minister said it will become an important mechanism for delivering justice in the sector in terms of disputes
- Earlier the SAROD Saroj Port was in place where the dispute between port and the concessionaire working with the port was arbitrated. However, decisions were not made in timely manner and thereby affecting the ongoing projects

The aim of introducing this

- It will designate an expert team. Also, an expert team will address and resolve disputes that will be decided on time. SAROD port has been established under Societies Registration Act, 1860
- The main objective of SAROD ports is timely resolution of disputes and enrichment of dispute resolution mechanism
- In January 2018, the Union Cabinet chaired by PM Modi approved the amendment of Model Concession Agreement under which SAROD ports are being established

Salient Features

- Affordable and timely resolution of disputes in fair manner
- Enrichment of Dispute Resolution Mechanism with the panel of technical experts as arbitrators
- SAROD-Ports consists members from Indian Ports Association (IPA) and Indian Private Ports and Terminals Association (IPTTA)

- SAROD-Ports will advise and assist in settlement of disputes through arbitrations in the maritime sector, including ports and shipping sector in Major Port Trusts, Non-major Ports, including private ports, jetties, terminals and harbours
- 'SAROD-Ports' is similar to provision available in Highway Sector in the form of SAROD-Roads constituted by NHAI
- In January, 2018, the Union Cabinet approved amendments in the Model Concession Agreement (MCA) which envisaged constitution of SAROD-PORTS as dispute resolution mechanism for PPP Projects in the Major Ports

For Further Study

1. https://www.business-standard.com/article/current-affairs/shipping-minister-launches-dispute-redressal-mechanism-for-maritime-sector-120091001456_1.html
2. <https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/shipping-minister-launches-dispute-redressal-mechanism-for-maritime-sector/articleshow/78040983.cms?from=mdr>
3. <https://currentaffairs.gktoday.in/sarod-ports-launched-by-shipping-ministry-092020341964.html>